1	O	I OF DETROIT, WIGHTIGAN			
2	1		1	APPEARANCES (continued):	Page 3
3 SOUTHERN DIVISION 4 4 5 7 Johns J. Ellienn 5 30 Meet 24nd Street 5 10 Meet 24nd Street 1 1 1 1 1 1 1 1 1				,	
4 By: Joshus J. Ellison 5 In re				COHEN WEISS AND SIMON LLP	
5 In re	1		4		
CITY OF DETROIT, MICHIGAN, Case No. 13-53846		In re Chapter 9	5	-	
7			6		
8		·			
9	8	1	8		
10 DEPONENT: MAYOR DAVE BING	1	·	9	11 5	
11		DEPONENT: MAYOR DAVE BING	10	LOWENSTEIN SANDLER LLP	
12 TIME: 10:27 a.m. 12 65 Livingston Avenue 13 IACCRITON: CITY OF DETROIT MAYOR'S OFFICE 13 Roseland, NJ 07068 16 2 Moodward Avenue 14 97.3.597.2374 15 Appearing on behalf of AFSCME 16 Detroit, Michigan 16 REPORTER: Jeanette M. Fallon, CRR/RDR/CSR-3267 17 CLARK HILL PLC By: Jemnifer K. Green 19 500 Moodward Avenue, Suite 3500 Detroit, NJ 48226 131.965.8394 22 Appearing on behalf of Retirement Systems 23 Appearing on behalf of Retirement Systems 23 Appearing on behalf of Retirement Systems 24 25 Appearing on behalf of Retirement Systems 27 Appearing on behalf of Retirement Systems 28 Appearing on behalf of Retirement Systems 29 Appearing on behalf of Retirement Systems 29 Appearing on behalf of Retirement Systems 20 Appe			11	By: Sharon L. Levine	
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17 CLARK HILL PLC 18 By: Jemnifer K. Green 19 500 Woodward Avenue, Suite 3500 20 Detroit, MT 48226 21 313.965.8384 22 Appearing on behalf of Retirement Systems 23 24 25 25 27 27 27 27 27 27			l	-11.42 4 10	
18 By: Jennifer K. Green 19 500 Woodward Avenue, Suite 3500	1		l	CLARK HILL PLC	
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21 313.965.8384 22 Appearing on behalf of Retirement Systems 23 24 25 25 26 27 27 27 27 27 27 27	1		l		
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23 24 25 Page 2 1 APPEARANCES: 2 3 JONES DAY 4 By: Thomas Cullen 5 Dan T. Moss 6 51 Louisiana Avenue, NW 7 Washington, D.C. 20001.2113 8 202.879.3939 9 Appearing on behalf of the Debtor 10 DENTONS US LLP 11 By: Anthony B. Ullman 12 By: Anthony B. Ullman 13 620 Fifth Avenue 14 New York, NY 10020.2457 15 212.632.8342 16 Appearing on behalf of Official Committee of Retirees 17 18 19 20 21 22 23 24 25 Page 2 25 APPEARANCES (continued): 24 25 WILLIAMS WILLIAMS WILLIAMS RATINER & PLUNKETT PC 4 By: Ernest J. Essad, Jr. 5 380 N Old Woodward Ave Ste 300 6 Birmingham, MI 48009 7 248.642.0333 8 Appearing on behalf of FGIC 9 10 CITY OF DETROIT LAW DEPARIMENT 11 By: Portia L. Roberson 12 2 Woodward Avenue, Suite 500 13 313.237.3018 15 Appearing on behalf of the City of Detroit, 16 Residents of the City, Mayor's Office and City Council 17 18 18 19 20 21 22 21 22	1		l		
24 25 25 26 26	1		l	11 5	
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	23		23		
24 ALSO PRESENT:	1		24		
25 Patrick Murphy, videographer	25		25	Patrick Murphy, videographer	



<u> </u>	1 Of BETTOTT, WILDTHO, WY			
1	TABLE OF CONTENTS	Page 5	1	Page 7 Williams, Rattner & Plunkett, on behalf of the FGIC.
2			2	MR. CULLEN: Tim Cullen, Jones Day, for the
3	WITNESS	PAGE	3	City and the Emergency Manager.
4		11102	4	MS. ROBERSON: Portia Roberson, corporation
5	MAYOR DAVE BING		5	counsel for the City of Detroit, for Residents of the
6	Examination by Mr. Ullman	7	6	City, Mayor's Office and City Council.
7	Examination by Mr. Ellison	98	7	MR. MOSS: Dan Moss, Jones Day, for the
8	Examination by Ms. Levine	100	8	City.
9	manufactor of 1.5. Ecvine	200	9	MAYOR DAVE BING
10			10	was thereupon called as a witness herein, and after having
11	EXHIBITS		11	first been duly sworn to tell the truth, the whole truth,
12			12	and nothing but the truth, was examined and testified as
13	NUMBER IDENTIFICATION	PAGE	13	_
14	MOUNDER IDENTIFICATION	FAGE	14	EXAMINATION
15	Exhibit 1 Email from Andrews to Bing, 12/6/12	16	15	
	Exhibit 2 Emails dated 11/27/12	40	16	
16		40	17	
17	Exhibit 3 City of Detroit Restructuring Plan,	го	18	-
18	March 23, 2012	50	19	·
19	Exhibit 4 Comprehensive Annual Financial Report,	- 3	20	
20	City of Detroit, for its fiscal year-end		21	process, but let me just go over a few ground rules.
21	June 30, 2012, two pages	62	22	
22	Exhibit 5 Email from Andrews to Bing, 7/10/13	74		
23			23	
24			24	3 ,
25			25	and I'll wait until you answer before asking the next
1	Debugle Mighium	Page 6	1	Page 8 question; otherwise, the court reporter can't get
1	Detroit, Michigan		2	things down if both of us are speaking; okay?
2	Monday, October 14, 2013		3	If at any point there's anything in a
3			4	question that I ask that you don't understand, let me
4	THE VIDEOGRAPHER: We are on the record.		5	know and I'll rephrase it and if you don't indicate
5	This is disk one of the video deposition of David B.	_	6	that you don't understand the question, the assumption
6	being taken at number 2 Woodward Avenue, 11th Floor	ın	7	•
7	Detroit, Michigan. Today is Monday, October 14th,			will be that you do; okay? A. Sure.
8	2013, the time is 9:27 (sic) a.m.			
9	This is in re City of Detroit, Michigan,			Q. Okay. Now, you are currently the Mayor of Detroit; is
10	Case Number 13-53846, pending in U.S. Bankruptcy Co	urt	10	that right?
11	for the Eastern District of Michigan.			A. That is correct.
12	My name is Patrick Murphy, legal			Q. And when did you when were you elected Mayor, when
13	videographer, our court reporter today is		13	did you become Mayor?
14	Jeanette Fallon and we both represent Esquire			A. I was elected Mayor May 5th, 2009.
15	Deposition Solutions.			Q. And is it correct that at that time when you were
16	The attorneys will now introduce themsels	ves	16	elected Mayor that Detroit was in fiscal difficulties?
17	for the record.		17	
18	MR. ULLMAN: This is Anthony Ullman from		18	, , ,
19	Dentons, counsel for the Official Committee of		19	not looking for detail, but just generalities what
20	Retirees.		20	steps if any you took to attempt to address that
21	MR. ELLISON: Josh Ellison from Cohen We	iss	21	situation?
22	and Simon LLP, counsel for the UAW.		22	A. Detroit, when I came in office, was \$330 million
23	MS. LEVINE: Sharon Levine, Lowenstein		23	accumulated deficit over several different years.
24	Sandler, for AFSCME.		24	Budget for the 2009 period '09 and '10 was already
25	MR. ESSAD: Ernest Essad, Williams,		25	in place when I got here. There were several areas
			1	



1	Page 9 that we had to make cuts. Revenue was going south and	1	A. Ib	Page 11 pelieve that the State had made the decision that
2	the only way that we thought that we could maintain a	2	Orr	r not only was a leading candidate but was their
3	balanced budget was in cuts. Most of those cuts	3	cho	pice.
4	occurred with layoffs and retirements. There were	4	Q. Ar	nd do you know as of that time when you met with
5	some areas over in the transportation area that we	5	Mr.	. Orr in you said mid February were there any other
6	made some significant improvements, but overall I made	6		ndidates that the State was actively considering?
7	it very clear that we could not balance our budget	7	A. If t	there were, I didn't know, because I met no one
8	just with cuts, we had to try to generate revenue and	8	else	
9	that was an ongoing problem.	9	Q. OI	kay. How was Mr. Orr's name first brought to your
10	Q. So I take it then that as of the end of 2012, Detroit	10	att	tention? How did you first come to hear of him
11	was still, notwithstanding the efforts you made, in	11		eing a candidate for the Emergency Financial Manager
12	substantial financial difficulties?	12		Emergency Manager position?
13	A. That would be correct.	13		was contacted by phone by Rich Baird of the
14	Q. Now, of course you're aware that Kevyn Orr has been	14		overnor's office who said that they thought that they
15	appointed the Emergency Manager?	15		nd identified a key candidate for the position of
16	A. That is correct.	16		nergency Financial Manager, so Rich Baird was the one
17	Q. Did you have any involvement in the selection of	17		no made contact with him.
18	Mr. Orr as Emergency Manager?	18		and do you recall when that contact was?
19	A. None whatsoever.	19		ardon?
20	Q. And when was Mr. Orr appointed the Emergency Manager?	20	Q. V	Vhen, do you recall?
21	Actually to be technically accurate I believe he was	21		hat would have been in late January, early February.
22	first appointed Emergency Financial Manager; is that	22		and did Mr. Baird give you any further information
23	right?	23		out Mr. Orr's background or qualifications for the
24	A. That would be correct.	24		nergency Financial Manager position?
25	Q. Okay, and then he became automatically the Emergency	25		es, he did. He said he had met in an interview
	Page 10			Page 12
1	Manager under the new law; is that right?	1	pro	ocess that I was not a part of, they were
2	A. Under 436, yes.	2	inte	erviewing counsel for the City and Mr. Orr was part
3	Q. So when, as you understood it, was Mr. Orr selected as	3	of t	the Jones Day law firm and I think through that
4	the Emergency Financial Manager?	4	inte	erview process Baird was impressed with him and,
5	A. I met Mr. Orr in mid February of 2012. I was asked to	5	the	erefore, moved down the road to try to select him as
6	go down and meet him at the law firm of Jones Day in	6	the	e candidate.
7	Washington, D.C. I met him, spent maybe a half a day	7	Q. A	nd did Mr. Baird at that time give you any
8	with him, because he at that time was the leading	8	ind	lications as to what he believed Mr. Orr's
9	candidate to be selected.	9	qua	alifications were to serve as Emergency Financial
10	(Ms. Green enters deposition room.)	10	Ma	anager?
11	Q. Okay, and did you have an understanding as of that	11	A. N	lo, he didn't. He said he was impressed with him,
12	time whether Mr. Orr had in fact or a decision had	12	tha	at he had been part of the bankruptcy team
13	been made to appoint Mr. Orr, assuming he took the	13	re	presenting Chrysler and I guess from that ordeal was
14	appointment?	14	pr	etty impressed with him.
15	MR. CULLEN: Objection, foundation, form,	15	Q. A	And did you ask Mr. Baird anything else about
16	but you can address the question.	16	Mı	r. Orr's qualifications to serve as Emergency
17	A. I believe Mr. Orr had not made his mind up at that	17	Fii	nancial Manager?
18	point. In my meeting and conversation with him he was	18	A. H	He yes, I did, and he felt
19	going through a process to see whether or not, if the	19	Q. T	Γhank you.
20	job was offered to him, whether or not he would	20	A	- and he felt that not only was he a lawyer that

21

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25

22 Q. Okay. And what was your understanding as to the

was the man they wanted if he took the job?

situation from the other side, from the State side?

As you understood it, had the State decided that Orr

21

23

24

25

accept.

dealt with bankruptcy for over 30 years but also had

some qualifications as it related to restructuring. I

think it was important to Lansing that the financial

manager would be of African-American descent. Kevyn

also I understand was a graduate of the University of

Page	1	3
------	---	---

- Michigan and had some understanding of Detroit and our
- 2 issues, so those were the background qualifications
- 3 that he gave me.
- 4 Q. And did Mr. Baird indicate that Orr had qualifications
- 5 concerning restructuring outside the context of
- 6 bankruptcy?
- 7 A. That would be no.
- 8 Q. Did you ask Mr. Baird anything further about Mr. Orr's
- 9 qualifications?
- 10 A. But they were very generic, the questions that I was
- 11 asking, trying to find out if in fact he was going to
- be selected, you know, how were we going to work
- 13 together, because I was not in support of an Emergency
- 14 Manager.
- 15 Q. And did you ask Mr. Baird how you and the Emergency
- 16 Manager were going to work together during that
- 17 conversation?
- 18 A. The answer would be yes and the conversation was that
- 19 he would be responsible, meaning Kevyn Orr would be
- 20 responsible for really trying to restructure the
- 21 balance sheet in the -- for the City of Detroit and
- that me and my administration would continue to try to
- 23 restructure City government and run the City on a
- 24 day-to-day basis.
- 25 Q. That was the plan or the idea, the concept, in -- this

- Page 15
 1 A. The answer would be yes. I've had conversation with
- 2 Kriss and Kriss indicated that he was aware of someone
- 3 that he felt could come in and work with us as an
- 4 Emergency Manager.
- 5 Q. Okay, and just so the record is clear, I made
- 6 reference to Kriss Andrews, you made reference to
- 7 Kriss, who is Kriss Andrews?
- 8 A. Kriss Andrews was the -- his title was director of --
- 9 he actually was COO, but he had a different title.
- 10 I'm trying to remember what that title was now.
- 11 Q. Perhaps program management director?
- 12 A. Director of program management.
- 13 Q. Okay. And he had been brought on by you, is that
- right, or had he been here before you came on?
- 15 A. Kriss was selected by Lansing for that position.
- 16 Q. And do you know when he had been put in that position
- 17 by Lansing?
- 18 A. Kriss came in in May of 2012.
- 19 Q. Is he still in that same position?
- 20 A. Kriss is no longer with City government. He left in
- 21 July of '13.
- 22 Q. And do you know why he left?
- 23 A. He was asked to leave by Lansing.
- 24 Q. Let me show you a document that we'll mark as Bing
- 25 Exhibit 1.

Page 14

1

- 1 was around -- did you say this was in the February
- 2 time frame or January time frame? I forget.
- 3 A. That would have been in the February time frame.
- 4 Q. So that was the concept that was articulated to you in
- 5 the February time frame?
- 6 A. That is correct.
- 7 Q. And is that how things in fact turned out?
- 8 A. That is not how things have turned out.
- 9 Q. Had you yourself -- you were aware prior to the time
- 10 that you were told about Mr. Orr in the conversation
- 11 with Mr. Baird that you just related that there was an
- 12 Emergency Manager that was being sought; correct?
- 13 A. That is correct.
- 14 Q. And had you yourself proposed any candidates for that
- 15 position?
- 16 A. The answer would be no.
- 17 Q. Did you have any discussions with people on your staff
- about possibly proposing one or more candidates for
- 19 that position?
- 20 A. That answer would be no, because I along with my staff
- were not in favor of an Emergency Manager coming on.
- Q. Do you recall any discussions or communications viaemail or otherwise with Kriss Andrews about the
- 24 possibility of proposing a candidate for Emergency
- 25 Manager?

(Marked Exhibit No. 1.)

- 2 Q. Are you familiar with what we've marked as Exhibit
- 3 Bing 1, Mr. Mayor?
- 4 A. I am familiar with this document.
- 5 Q. And just for the record it bears Bates numbers DM --
- 6 I'm sorry, DTMI0007955, that's the starting number.
- 7 And it's an email from Kriss Andrews to the Mayor,
- 8 December 6th, 2012.
- 9 Now, before I -- first of all, can you tell
- me what this is? Can you identify this for me?
- 11 A. This is a memo from Kriss Andrews to me recommending
- an individual that he knew that he thought could work
- well with us as we move to an Emergency Manager.
- 14 Q. Did you have a good working relationship with
- 15 Mr. Andrews?
- 16 A. Very good working relationship with, yes.
- 17 Q. And you had previously indicated that you had been
- against the appointment of an Emergency Manager. Why
- 19 was that?
- 20 A. We thought, meaning this administration thought we --
- 21 we could run the City without an Emergency Manager
- 22 coming in.
- 23 Q. Now turning back to Exhibit Bing 1, Mr. Andrews is
- writing this email to you and he starts out with a
- 25 phrase, though the Group did not agree.



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1 Do you have an understanding as to what

- 2 Group Mr. Andrews is referring to? And that's Group
- 3 with a capital G.
- 4 A. I think that would have been the representation from
- 5 Lansing.
- 6 Q. And who was in that Group? Was that --
- 7 A. It would have been Rich Baird, it would have been
- 8 Andy Dillon and I'm not sure who else may have
- 9 represented the State.
- 10 Q. And was this Group concerned with the selection of the
- 11 emergency -- or an Emergency Manager?
- 12 A. That would be yes.
- 13 Q. Now, if you go down -- so in this email, as I
- 14 understand it, Mr. Andrews is proposing a candidate
- 15 that he says might be a good fit as Emergency Manager
- who, as he writes, would align with your, meaning the
- 17 Mayor's, reform agenda; right?
- 18 A. That's correct.
- 19 Q. Now, in the third paragraph Mr. Andrews writes, I
- 20 realize he, referring to the candidate being proposed,
- 21 does not meet the standards of what the State would
- 22 want but he would meet the standards of what we would
- want with you firmly in place to pursue your agenda.
 - Do you have an understanding of what
 - Mr. Andrews is referring to in that paragraph?
- Page 18
- 1 A. Yeah, I think what he meant is the State -- you know,
- 2 my agenda had been laid out for some time going all
- 3 the way back to 2011 and some of the things that we
- 4 wanted to do and focus on did not necessarily align
- 5 with what the State wanted us to do and Kriss felt
- 6 that this individual would be much more aligned with
- 7 us

24

25

- 8 Q. And in brief can you tell me what some of those items
- 9 were?
- 10 A. You know, we had somewhere around 21 different items
- that the State and our administration agreed upon from
- 12 a restructuring standpoint, but I knew it was
- impossible for us to attack all of those at one time
- and have any success, so I selected about six
- 15 different areas that we should focus on. Number one
- being public safety. Number two, public lighting.
- 17 Number three, public transportation. Number four,
- 18 eradication of blight. And number five, the support
- and maintenance of our recreation and parks system.
- 20 Q. And I take it from your prior answer that the State
- 21 had different priorities?
- 22 A. I think the State had different priorities. They were
- 23 never spelled out to us, if you will. Because of the
- 24 21 that we had agreed upon, I think maybe their focus
- and mine just wasn't aligned.

- Page 19 1 Q. And do you recall whether the State had a particular
- 2 focus with which you disagreed or that you did not
- 3 think should be the priority?
- 4 A. I don't really recall that.
- 5 Q. Now, Mr. Andrews in his email says, I realize he,
 - meaning the candidate attached, does not meet the
- 7 standards of what the State would want.
 - Do you have an understanding as to what
 - Mr. Andrews is referring to when he writes that this
- 10 person would not meet the standards of what the State
- 11 would want?
- 12 A. I think the standards that he was referring to was
- 13 whatever the State wanted that person to do, that
 - person would do it and this person was going to be
- much more aligned with our agenda as opposed to the
- 16 State's.
- 17 Q. And did you have discussions with Mr. Andrews on that
- 18 point?
- 19 A. Yes.
- Q. And is that what he conveyed to you orally as well asin writing?
- 22 A. Yes.

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- 23 Q. And did you have any discussions with Mr. Andrews as
 - to whether Mr. Orr was a person who would essentially
- 25 follow what the State wanted him to do?

Page 20

- MR. CULLEN: Objection, foundation, form.
- 2 You can address the question.
- 3 A. Kriss at that time had not met Mr. Orr --
- 4 Q. Uh-huh.
- 5 A. -- so I don't think he had a determination one way or
- 6 the other about Mr. Orr.
- 7 Q. And did you have conversations on that topic with
- 8 Mr. Andrews subsequent to the appointment of Orr as
- 9 Emergency Manager?
- 10 A. The answer would be yes.
- 11 Q. Okay, and what was the substance of those
- 12 conversations?
- 13 A. Based on the meeting that I had with Kevyn in
- 14 Washington, he seemed to understand the plight that we
- were facing here in Detroit and seemed to be willing
- 16 to work with us on our agenda.
- 17 Q. And did he ultimately work with you on your agenda?
- 18 A. Not to my satisfaction.
- 19 Q. And did you form an impression as to whether Mr. Orr
- 20 was someone who was essentially willing to do what the
 - State wanted him to do?
- 22 MR. CULLEN: Objection, foundation, form.
- 23 A. He was chosen by the State and so he was taking his
- 24 direction from the State.
- 25 Q. And is there anything else that leads you to believe



Page 21

1 that he was willing to do essentially what the State

- 2 was asking him to do?
- 3 MR. CULLEN: Objection, foundation, form.
- 4 A. The answer would be no.
- 5 Q. I take it from your prior testimony that you never in
- 6 fact proposed this individual that was recommended as
- 7 a possible candidate by Mr. Andrews; is that right?
- 8 A. That would be correct.
- 9 Q. I'm going to show you another document, which was
- 10 previously marked as Exhibit 6 to the deposition of
- Mr. Orr, which commenced on September 16 and wascontinued on October 4th.
- And just so the record is clear, there are
- 14 other documents I'm going to show you that were marked
- as exhibits to the Orr deposition that began on
- 16 September 16 and continued on October 4 and I'm going
- 17 to refer to those just generically as Orr Deposition
- 18 Exhibits and I say that -- we'll use that terminology,
- 19 because there was a prior deposition with Mr. Orr in
- 20 connection with the SWAP issues. So when I refer to
- 21 Orr deposition, it's referring to the ones that were
- done on September 16th and October 4th. Is that okay?
- 23 A. Okay.
- 24 Q. Have you ever seen this Orr Exhibit 6 before, which
- begins with Bates number JD-RD-0000216, or parts of

Andrews.

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- 2 Q. Okay, and if you look at the first page of the
- document, this is an email from Mr. Baird saying -- by
- 4 the way, just so the record's clear, just tell me
- 5 quickly who Mr. Baird is. We've used his name and
- 6 actually haven't identified him.
- 7 A. He is the advisor to Governor Snyder.
- 8 Q. And in this email dated February 20th, which is to
 - Mr. Orr, Baird writes, FYI, the summary of partnership
- 10 prepared by the Mayor from the outline I gave him last
 - week.
- So I think you indicated that the summary
- of partnership was actually drafted by Mr. Andrews
 - from your office or the COO for the City?
- 15 A. Yes.
- 16 Q. And had Mr. Baird given you an outline previously?
- 17 A. Not an outline, but he did give me some areas that he
- thought we could agree upon.
- 19 Q. Was that in written form?
- 20 A. Yes.
- 21 Q. And that was one of the things that Mr. Andrews used
- to prepare the summary of partnership?
- 23 A. That is correct.
- 24 Q. If you'd look at the first page of this document,
- 25 Mr. Baird is writing about a conversation that he had

Page 22

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- 1 it?
- 2 A. I have.
- 3 Q. And have you seen the entire document or only parts of
- 4 it?
- 5 A. Parts of it.
- 6 Q. And what part would that be?
- 7 A. That would be the summary of partnership.
- 8 Q. And can you tell me what that is? Can you identify
- 9 that?
- 10 A. The conversation that I had with Rich Baird and made
- 11 reference to as I met with Kevyn, I asked for some
- things that I thought were germane to helping to turn
- the City around and I spoke to Kevyn about that, I
- spoke to Rich Baird about that, and I guess Rich Baird
- and Kevyn spoke after my meeting with Kevyn. So I
- and Nevym spoke after my meeting with Nevym.
- 16 don't remember seeing the front -- this front page
- 17 from Rich Baird.
- 18 Q. Okay, and the document you're referring to is what
- appears on Bates pages 217 and 218; is that right?
- 20 A. That would be correct.
- 21 Q. And this was in fact a summary of partnership document
- that was -- it was not drafted by you; was it?
- 23 A. No, it was not.
- 24 Q. It was given to you by Mr. Baird?
- 25 A. No, this was -- I think this was prepared by Kriss

- Page 24 with you. He says, told him, meaning you, Mr. Mayor, that there were certain things I would not think we could agree to without your, meaning Mr. Orr's, review, assessment and determination such as keeping the executive team in its entirety.
 - Do you have an understanding what that's referring to?
 - MR. CULLEN: Objection, foundation, form.
- 9 Mr. Baird's note, he's never seen it before.
- 10 Q. You can answer my question, Mr. Mayor.
- 11 A. One of the things that I wanted to keep intact was my
- 12 executive team. It took me a couple years to really
- 13 put that team together and I thought not keeping that
- 14 team together would not be good in terms of helping us
- turn the City around so I wanted to keep my team in
- 16 place.
- 17 Q. Okay, and was Mr. Andrews part of that team?
- 18 A. He was.
- 19 Q. And did you have a discussion about keeping the
- 20 executive team in place with Mr. Baird, as is
 - recounted by Mr. Baird in this email?
- 22 A. That would be correct.
- 23 Q. And can you tell me the substance of the conversation
- on that point you had with Mr. Baird?
- 25 A. Once again, because it took such a long time, I didn't



Page 27

MAYOR DAVE BING CITY OF DETROIT, MICHIGAN

	Page 25	١.	Page 27
	1 want to see a lot of turnover, additional turnover.	1	MR. CULLEN: Objection, foundation, form.
	With an Emergency Manager coming in, if we started	2	A. That is correct. Number 4 I will respond to. Wanted
	3 losing some of our key players that have been there	3	to make sure that if I called an executive meeting or
	4 with me to put a plan together and then try to execute	4	Mr. Orr called an executive meeting, we wanted to make
	5 the plan, relieving or dismissing any of those people	5	sure that all the key people were invited to the
		6	• • •
			meeting and so that, you know, everybody would know
	7 and not forward.	7	what was going on. That was number 4.
	8 Q. And by this in terms of timing, we had talked before	8	As relates to number 5, back in December of
	9 about the call or conversation you had with Baird when	9	'12 I had agreed with the Governor in concept that the
	10 he first told you about Mr. Orr as being considered	10	State would lease Belle Isle and run it as a State
	11 for the Emergency Manager position. The conversation	11	park, which would relieve us from an expense of
	we're talking about now, is this part of the same	12	
			3 3 .
	13 conversation or is it subsequent?	13	, , , , , , , , , , , , , , , , , , , ,
	14 A. Same conversation.	14	,
	15 Q. Okay. And in the email that Mr. Baird writes, he	15	invest somewhere up to 10 to \$20 million to upgrade
	says, that Mr. Baird told you during this conversation	16	Belle Isle over a three-year period.
	that there were some things that he, Baird, couldn't	17	Q. Okay.
	18 agree to without first getting Orr's approval.	18	A. I don't know if there were other ones that you
	19 Do you recall that?	19	
	20 A. Yes.	20	·
			, ,
	21 Q. Can you tell me what as much as you can about that	21	period with a lot of input from a lot of constituents
	22 subject matter?	22	
	23 A. No guarantees in terms of making sure that the	23	Plan and I wanted to make sure that we didn't just put
	24 executive team in its entirety stayed in place with	24	that plan on a shelf somewhere. That with so many of
	25 their pay level.	25	our constituents involved in that process we needed to
-			·
	Page 26 1 Q. And did he talk to you specifically about having a	1	Page 28 use that as a blueprint to move forward and I never
	2 need to get, as he puts it here, the review,	2	got heavily involved with Kevyn on the financial
	- · · · · · · · · · · · · · · · · · · ·		
	3 assessment and determination from this on that	3	initiatives as it relates to reducing the long-term
	4 subject from Mr. Orr? In other words, did he tell you	4	liabilities, managing cash flow, achieving the
	5 that he needed to run that by Orr and get Orr's	5	long-term sustainable financial stability. He's
	6 approval?	6	basically taken that upon himself.
	7 A. Yes, he did.	7	Q. Okay. And what was the Detroit Future City framework
	8 MR. CULLEN: Objection, foundation, form.	8	that's referred to in point six?
	9 Q. And did he tell you why he needed to get approval from	9	A. It's a booklet, a plan, that was put together over an
	10 Mr. Orr?	10	· · · · · · · · · · · · · · · · · · ·
			· · · · ·
	11 A. I think he wanted to make sure that Orr was	11	·
	comfortable with the staff that was already here.	12	, , , , , , , , , , , , , , , , , , , ,
	13 Q. Because the Emergency Manager would have the power to	13	the City's future would look like.
	14 fire the staff; wouldn't he?	14	Q. Okay. And those those initiatives, were they
	15 A. That is correct.	15	let me ask you this more as a question. Were the
	16 Q. Now, if you look at some of the items that are on this	16	
	17 list in the partnership, like number 4, number 5, 6,	17	·
	18 7, what are those? Can you just tell me briefly?	18	
	19 MR. CULLEN: Objection, foundation, form.		
- 1			and susialnanie imancial staniity/
		19	·
	You want him to go through them one by one, counsel?	20	MR. CULLEN: Objection, foundation, form.
			MR. CULLEN: Objection, foundation, form.

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with Mr. Baird; is that right?

what each of these points is.

23 Q. And these are things, as I say, were prepared by

Mr. Andrews and had been discussed at least in concept

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more of the areas that we were going to focus on in

the City, so I don't think it had a lot to do with the

25 Q. Okay. And when had that booklet been put together?

financial stability of the City.

Page 29 Page 31 Did you say? 1 anything to you on your City email? A. It was about six months ago so it was in -- probably 2 A. No. 2 3 Q. Do you have an understanding as to why Mr. Baird would in March/April of '13. 3 not want to send something to you under City email? 4 Q. Well, this email is dated February of 2013. 4 5 A. That -- that book did not come out for public 5 A. No. 6 consumption I think until sometime in '13. I think it 6 Q. Who is the personal assistant that's referred to here? 7 was really the March/April time frame. 7 A. Her name is Sue Ray, R-A-Y. 8 Q. Okay. So at this point in time what you're referring 8 Q. And do you recall Ms. Ray getting an email from 9 to in this draft partnership agreement is something --9 Mr. Baird to set up a meeting between you and Mr. Orr? 10 a booklet that had been drafted but had not yet been 10 A. I don't recall that. I mean, I knew the meeting, it 11 published? 11 was by phone that Mr. Baird and I talked about going 12 A. That would be correct. 12 down to meet Kevyn. 13 Q. Okay. And what is number 7 on this list? 13 Q. I'm going to show you another document which we --14 A. There were a lot of negotiations that had gone on which was previously marked as Orr Deposition Exhibit 14 15 prior to Mr. Orr coming on board and we wanted to go 15 7. 16 back and relook at a lot of those initiatives, things 16 And for the record this first page of this document bears Bates numbers JD-RD-0000459. 17 that we had already been negotiating with labor, but 17 18 once again, I never -- since Kevyn came on board, I 18 A. Okay. 19 never sat in another meeting where labor initiatives 19 Q. Okay. Mr. Mayor, have you ever seen this document or 20 were discussed. 20 parts of it before? 21 Q. Now, as of the date of this email, and this is around 21 A. I don't recall seeing this. 22 the time of your conversation with Mr. Baird, had you 22 Q. And if I can direct your attention to the last two 23 spoken with anyone else from the State about Mr. Orr 23 pages of the document, there's a summary of 24 as a candidate for the Emergency Manager or Emergency 24 partnership again. 25 Financial Manager position? 25 A. Okay. Page 30 Page 32

1 A. Mostly that was done with Rich Baird, but I do think

2 the Governor and I may have had a brief conversation

3 in one of our meetings, because Baird had made the

4 recommendation to the Governor and I think the

5 Governor was receptive to his -- to his

6 recommendation.

7 Q. And do you recall any discussions with the Governor as

8 to the qualifications of Mr. Orr to serve as Emergency

9 Financial Manager or Emergency Manager?

10 A. No.

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11 Q. If you turn back to the first page of this Exhibit Orr

12 Number 6, in the bottom email on the first page

13 Mr. Baird is saying, will broker a meeting via Note

14 between you, meaning Mr. Orr, and the Mayor's personal

15 assistant who is not FOIAable.

> Do you have an understanding as to what that's referring to?

> > MR. CULLEN: Objection, foundation, form.

19 A. I don't think he wanted to send something on my 20 personal email. I don't have -- I should say my City

21 email, because I don't have a personal email, so he

22 wanted to send it to somebody else, he didn't want to

23 send it on a City email.

24 Q. Do you ever recall any discussions with Mr. Baird in 25 which Mr. Baird indicated that he didn't want to send

1 Q. Do you recall --

2 A. This --

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3 Q. -- seeing specifically the last two pages?

4 A. The last two pages, yes.

5 Q. Okay. And that is, is it not, a revised version of

what appears at the end of what we've put in the

7 record as Orr Exhibit 6? 8

MR. CULLEN: Objection, foundation, form.

9 You can address the question.

10 A. I have read all of this. I don't know if this is

different from the other one that we saw.

12 Q. Okay, I guess if you look at the date of the last one,

13 you'll see it's dated February 18 and this one is

14 dated February 21.

15 A. Twenty-one.

MR. CULLEN: Is there a question, counsel?

17 Q. Do you see that?

MR. CULLEN: I beg your pardon?

19 MR. ULLMAN: I asked him if he saw the

20 dates.

MR. CULLEN: Okay.

22 A. Yes, I see the dates.

23 Q. Okay. And I think if you look at the text -- do you 24 recall getting an updated version or one or more

25

versions of this partnership agreement?



1 A. Yes.

- 2 Q. And I think if you look at the text, you'll see that
- 3 there are indeed some differences, some of which I'm
- 4 going to ask you about.
- 5 A. Okay.
- 6 Q. First of all, if you look at the first page of this
- exhibit, there's a note from Mr. Orr who says he spoke 7
- 8 with the Mayor this morning, he's writing as of
- 9 February 22nd, and we're all set to meet Monday
- 10 morning.
- 11 The Monday would be the 25th.
- 12 A. Okay. Yes.
- 13 Q. Okay, did you in fact meet with Mr. Orr on February
- 14 25th, Monday?
- 15 A. If -- yeah, I mean, I think we can go back and track
- 16 my travel day, and yeah, I do remember going then. I
- 17 don't know if it was the 25th or not, but I only went
- 18 there once.
- 19 Q. Okay, so it was around -- that's the meeting that
- 20 Mr. Orr --
- 21 A. Yes.
- 22 Q. -- is referring to in his email?
- 23 A. Yes.
- 24 Q. You said it took place at Jones Day in Washington?
- 25 A. Correct.

- Page 33 Page 35 1 attached to Orr Exhibit 7, item 7 has been revised to
 - say labor, retiree and benefit initiatives will be 2
 - 3 pursued jointly by the Mayor and the manager to the
 - 4 extent permitted by law.
 - 5 A. And the question is?
 - 6 Q. Okay, do you recall any discussion as to the reason
 - for those changes? 7
 - 8 A. No.
 - 9 Q. Do you recall any discussion -- let me ask you this.
 - 10 Do you have an understanding as to what
 - 11 labor, retiree and benefit initiatives are being
 - 12 referred to in item 7 of the summary agreement at the
 - 13 end of Orr Deposition Exhibit 7?
 - 14 A. Yes, I do.
 - 15 Q. And what are those?
 - 16 A. One of the things that was being discussed even before
 - 17 Kevyn came on board was the healthcare cost, which we
 - 18 wanted to change. We knew also that we needed to take
 - a look at the pension funds. But we had made no
 - 20 determination as to what direction that we were going
 - 21 to go in.

19

- 22 Q. And did you have any discussion with Mr. Orr at this
- 23 meeting in DC concerning pension related issues?
- 24 A. No, not to my knowledge, no, I don't remember that.
- 25 Q. In item 7 on this document it refers to initiatives

Page 34

- 1 Q. So you actually physically traveled up to Washington
- to meet with Mr. Orr?
- 3 A. That is correct.
- 4 Q. Is there a particular reason he didn't come down to
- 5 Detroit to meet with you?
- 6 A. I don't know if there was a reason that he wouldn't
- 7 come here. He wasn't -- I guess he felt more
- 8 comfortable with me coming to Washington as opposed to
- his coming here.
- 10 Q. Okay. And do you recall discussing a summary of
- 11 partnership document with Mr. Orr at the meeting?
- 12 A. Yes.
- 13 Q. And let me just ask you in particular about number 7
- 14 here. And if you compare this with a version number 7
- 15 on what's attached to Orr Deposition Exhibit 6, you'll
- 16 see that the earlier version from Exhibit 6 has item 7
- 17 as labor and it says labor initiatives will be pursued
- 18 jointly by the Mayor and the manager.
- 19 A. Just a moment here. Now, give me your question again, 20
- 21 Q. If you look at the first version which is attached to
- 22 Orr 6, number 7 says labor initiatives will be pursued
- 23 jointly by the Mayor and the manager?
- 24 A. Uh-huh.
- 25 Q. And if you look at number 7 on the February 21 version

- 1 will be jointly pursued to the extent permitted by
- 2 law. Do you have an understanding as to what that
- 3 phrase was referring to?
- 4 A. No, I don't.
- Q. Did you have any discussion with Mr. Orr at the
- 6 meeting in DC as to legal constraints on actions that
- 7 could be taken to address various of the City's
- 8 financial issues?
- 9 A. No.

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- 10 Q. Now, this last document is around February 22nd. You
 - had said that you had -- you were taking a look at
- 12 issues relating to healthcare and pensions but nothing
- 13 -- no determinations had been made?
- 14 A. That's correct.
- 15 Q. And what -- what avenues, what possibilities, were you
 - exploring as regards pensions?
- 17 A. We were looking at the potential of moving everything
- 18 to a 401(k) plan, because we knew that we couldn't
- 19 continue to fund the pension as it had historically
- 20 been funded. It was -- it was obviously hurting us.
- 21 The same thing would be true on the healthcare side.
- 22 We had looked back three or four years where we saw
- 23 the healthcare costs were increasing by double numbers on an annualized basis and from an affordability
- 25 standpoint we knew that we could no longer continue to



Page 37 1 do that. 2 Q. Now, with respect to the pensions had you given any consideration to how the pension clause in the 4 Michigan Constitution affected your ability to take various actions that you might like to take? 1 this is not seeing this here to 2 not the first time that I'm aware 3 read I read the paper. 4 Q. Okay. And were you aware of Michigan Constitution at the time.	=
2 Q. Now, with respect to the pensions had you given any consideration to how the pension clause in the Michigan Constitution affected your ability to take 2 not the first time that I'm aware 3 read I read the paper. 4 Q. Okay. And were you aware o	=
3 consideration to how the pension clause in the 4 Michigan Constitution affected your ability to take 3 read I read the paper. 4 Q. Okay. And were you aware o	or it. Tillouri, TVO
4 Michigan Constitution affected your ability to take 4 Q. Okay. And were you aware o	
	of this clause in the
6 A. No. 6 were considering issues that m	
7 MR. CULLEN: Again just going to ask if 7 the pension costs that the City	
8 you had a time frame, counsel, but if it's no, it's 8 Detroit was facing?	or whoringari or
9 no. 9 MR. CULLEN: Objection	on foundation form
10 Q. I'm asking about the time frame we're talking about 10 You can address the question	
11 here as of the end of February of 2013. 11 understand it.	to the extent year
12 A. No. 12 A. The answer would be no.	
13 Q. At this point in time were you I've made reference 13 Q. I think you indicated there was	as another there was a
to the pension clause in the Michigan Constitution.	
15 As of February 2013 were you aware of that? 15 pension related issues?	t was responsible for
16 Let me withdraw that and ask you, first of 16 A. That would be correct.	
all, do you understand what I'm referring to when I 17 Q. Okay. And who was the hea	d of that?
18 use the term pension clause? 18 A. What's his I'm trying to thin	
19 A. Maybe you want to explain it. 19 now. I can't yes, Lamont Sa	•
20 Q. Okay. Well, let me show you another document that 20 labor law department.	atorici. Tie fiedds ap our
21 we've also had marked at the Orr deposition. This is 21 Q. And does Mr. Satchel have a	access to legal advice
22 Orr Deposition Exhibit 5. And what we have as Exhibit 22 legal counsel provided by the	•
23 5 from the Orr deposition is a copy of the Michigan 23 A. I'm sure he does. He's a lawy	=
24 Constitution, Article 9, Section 24. 24 Q. And do you recall any discus	
25 A. Okay. 25 to any constitutional limits on t	
Page 38 1 Q. Have you ever seen that provision before? 1 take steps with respect to pens	Page 40 sion rights and related
2 A. No. 2 payments?	g
3 Q. You never saw it before today? 3 MR. CULLEN: Objectio	n. foundation. form.
4 A. I don't recall it, no. 4 calls for a to the extent you're	
5 Q. Were you prior to seeing it now, were you aware 5 fact of any such conversations,	
6 that there is a clause in the Michigan Constitution 6 any conversations which would	
7 that provides certain protection for vested pension 7 Q. You can answer the question.	
8 rights and payments in respect thereof? 8 A. No, I had none of those conve	
9 MR. CULLEN: Objection, foundation, form. 9 Mr. Satchel.	
10 You can address the question. 10 Q. Okay. I'm going to show you	another document. This
11 A. I think those responsibilities rested with the labor 11 one we will mark as Bing Num	
12 law department. I mean, I didn't get involved in 12 (Marked Exhibit No. 2.)	
13 that. 13 A. Okay.	
14 Q. So your testimony is similarly that you were 14 Q. Okay, for the record what we'	've marked as Bing 2 is a
completely unaware up till now that there is a clause 15 chain of emails, this top one is	
in the Michigan Constitution that deals specifically 16 Beginning Bates page number	
17 with issues pertaining to pensions and payments 17 Have you ever seen the	
18 associated therewith? 18 Mr. Mayor?	•
19 A. No, I mean 19 A. Yes, I have.	
MR. CULLEN: Objection, foundation, form. 20 Q. And what was the context in v	which you saw them?
	-
21 Q. You can answer the question. 21 A. That Leonard Fleming, who is	a reporter for the

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if you can unpack it.

THE WITNESS: Yeah.

25 A. I mean, I read in the paper like everybody else, so

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we were to bankruptcy, and I think Bob got in contact

email together for Bob answering the question from the

with Kriss and Kriss put that document -- put this

- Q. Okay. And Mr. Andrews writes in the top email, this 2
- 3 is recounting his conversation with Leonard Fleming,
- 4 he says, I made the following three major points: The
- 5 first one is we fully intend to be successful without 6
- the use of bankruptcy.
 - Do you have an understanding of what
- 8 Mr. Andrews was referring to there?
- 9 A. Yeah, if we could continue to get the support that we
- 10 needed from the State on our 21 initiatives that we
- 11 agreed upon, we should not have to go the route of
- 12 bankruptcy.
- 13 Q. And did that -- the substance of what you just said
- 14 reflect conversations that you had had with Mr. Kriss
- 15 -- I'm sorry, with Mr. Andrews --
- 16 A. Yes.

- 17 Q. -- apart from the email?
- 18 A. That would be yes.
- 19 Q. So is it correct then that at least as of the date of
- 20 this email, which is November 2012, November 27, 2012,
- 21 the possibility of filing for Chapter 9 had been
- 22 discussed with you and members of your team?
- 23 A. I wasn't part of that, maybe Kriss was part of that,
- 24 but not myself.
- 25 Q. Okay. But you said you were aware that this -- I'm

- Page 43 Page 41 1 was Deputy Mayor; I think at that time I'm not sure
 - 2 that Chris Brown, I don't remember when he left, but
 - 3 Chris Brown was part of that leadership team; and
 - 4 Bob Warfield.
 - 5 Q. And what was the basis on which the people involved in
 - 6 those discussions concluded that the City's finances
 - 7 could be redressed without the need to file a Chapter 8 9 bankruptcy?
 - MR. CULLEN: Objection, foundation, form.
 - 10 You can address the question.
 - 11 A. We all felt that if we got the kind of resources that
 - 12 we needed, the support that we needed from the State,
 - 13 that we could manage our way through the catastrophe
 - without necessarily going bankrupt, filing for
 - 15 bankruptcy.

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- 16 Q. And was that through a combination of raising revenue
- 17 and cutting costs?
- 18 A. That would be correct.
- 19 Q. And the proposal -- the means by which you would do
- 20 that or wanted to try to do that, was that set out in
- 21 a document?
- 22 A. There were several different documents that had been
- 23 prepared internally. In terms of raising revenue was
 - the collection of taxes, which was a big thing for us,
- 25 but still, I mean, we wanted to go back to the State,

Page 42

- sorry. I thought you said you were aware that the idea
- 2 was to be successful without the need to file
- 3 bankruptcy?
- 4 A. Correct.

- 5 Q. So the possibility of filing bankruptcy had been
- 6 something that had been discussed and I take the
- 7 conclusion was you didn't think you needed to go that
- 8 route?
- 9 A. That would be correct.
- 10 Q. And when did those discussions take place?
- 11 A. I can't -- I mean, it was in -- I'm sure at the end of
- 12 2012 and ongoing up until bankruptcy was actually
- 13
- 14 Q. And with whom did you have those discussions?
- 15 A. That would have been internally with the leadership
- 16 team, Jack Martin, Kriss, the executive team. None of
- 17 us wanted to go in that direction.
- 18 Q. Who is Jack Martin?
- 19 A. Jack Martin was the CFO.
- 20 Q. And you made reference to a leadership team. Does
- 21 that involve individuals other than Martin and
- 22 Andrews?
- 23 A. It would have involved -- I don't know if -- I don't
- 24 think Portia was part of that at that time; but it
- 25 would have been I think Kirk Lewis was still here, who

- Page 44 we thought that from a cash flow standpoint we saw where we were running out of money, we saw where we
- were hitting the wall, we needed some support from the
- 4 State and we did get that to the tune of a
- 5 \$137 million loan that we got. The State was to
 - release over time certain amounts of that loan. We
- 7 had to repay I think an \$80 million loan that we had
 - prior to the 137. I don't recall all of the details
- 9 right now, but I do know that some of the initiatives 10 that we and the State had agreed upon releasing those
- funds was contingent upon us making sure that those 11
- 12 were deliverables that we could live up to.
- 13 Q. And was the -- did the initiatives that you had --
- 14 that you described and that were proposing entail the 15 City of Michigan -- I keep saying that. Let me
- 16 withdraw that and start again.
- 17 Did the initiatives that you described for 18
- cost cutting, raising revenue, require the City of 19 Detroit doing anything that was prohibited by Michigan
 - law? MR. CULLEN: Objection, foundation, form.
- 21 22 A. I don't know.
- 23 MR. CULLEN: You're asking for a legal
- 24 conclusion.
- 25 A. I don't know the answer to that.



Page 45

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- 1 Q. Well, did you -- as part of this initial -- this
- 2 restructuring program, were you aware in any way that
- 3 anything that was being proposed was contrary to the
- 4 laws or Constitution of the State of Michigan?
- 5 A. No.
- 6 Q. And do you recall specifically how if at all the
- 7 pension liabilities were to be dealt with under your
- 8 proposed approach?
- 9 A. No.
- 10 Q. Would that be set out in whatever documents there are
- 11 that describe your initiatives?
- 12 A. I didn't understand your question.
- 13 Q. Would the approach to pensions be set out in whatever
- 14 documents exist that describe the initiatives that
- 15 you've referred to?
- 16 A. Those probably were internal meetings between the CFO
- 17 and the COO and probably people from the labor
- 18 department. Those aren't meetings that I sat in.
- 19 Q. So you don't recall the specifics of how the pension
- 20 issues were --
- 21 A. No.
- 22 Q. -- being dealt with?
- 23 A. No.

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- 24 Q. But as you understood it, the City's -- if the
- 25 proposed restructuring, the initiatives that you put

- Page 47

 1 A. He was agreeable in working together, but we didn't go
- step by step and say that I agree or I don't agree. 2
- 3 Q. Okay. So did you have an understanding as when you
 - left that meeting in DC whether Mr. Orr had in fact
- 5 agreed to the points that were set out in this summary
 - of partnership document?
 - MR. CULLEN: Objection, foundation, form.
- 8 A. One of the areas that I do recall and me saying is
 - that it made reference to keeping the executive team
- 10 intact. He wanted the opportunity to make an
- 11 assessment himself.
- 12 Q. Okay, and did he make an assessment?
 - MR. CULLEN: Objection, foundation, form.
- 14 A. I think over the time that he's been here, I don't
- 15 think he personally made an assessment. I think there
 - were others who may have made an assessment and made
- 17 recommendations to him.
- 18 Q. And was your team -- your executive team left intact?
- 19 A. No.
- 20 Q. And who was gotten rid of besides Mr. Andrews, if
- 21
- 22 A. Jack Martin is no longer here as the CFO. Karla
- 23 Henderson, who was the group executive for planning
 - and development and BC, is no longer here. I think
- 25 before Kevyn came on Kirk Lewis was already gone. I
- Page 46
- in place went through, you believe that the City would
- 2 be able to survive without bankruptcy and would
- 3 continue to be able to meet its legal obligations?

Q. Okay. And you thought that if you had that

- 4 MR. CULLEN: Objection, foundation, form.
- A. The answer would be we wanted that opportunity.
- 7 opportunity, you could make it happen; is that right?
- 8 A. That would be correct.
- Q. But you weren't given that opportunity; were you?
- 10 A. That is correct.
- 11 Q. Let me go back to what we've marked as Orr Exhibit --
- 12 that we haven't marked but we've identified as Orr
- 13 Deposition Exhibit 7, which has the proposed summary
- 14 of partnership.
- 15 A. Uh-huh.
- 16 Q. Was this partnership agreement, the document that
- 17 appears here where it has a draft label on it, was
- 18 that ever made final?
- 19 A. Not to my knowledge.
- 20 Q. When you met with Mr. Orr on -- at the end of February
- 21 in DC, you indicated that you discussed this with him,
- 22 though; correct?
- 23 A. Correct.
- 24 Q. And did he tell you that he was -- that he was
- 25 agreeable to it?

- do think that Chris Brown was already gone. As of
- today our purchasing director is no longer here, 3 Andre DuPerry. Richard Kay, who was the director of
- 4 the lighting department, is no longer here. The
- 5 director of DDOT is no longer here. I think there --
- 6 that's right off the top of my head. I think there
- 7 were nine or ten department heads that are no longer
- 8 here.
- 9 Q. And were they asked to leave by Mr. Orr or --
- 10 A. For the most -- for the most part, yes. There was one
 - guy who headed up -- he was the director of homeland
- 12 security, he left on his own accord because of the
- 13 environment that he felt he could no longer work in,
- 14 but for the most part all of those other people were
- 15 asked to leave.
- 16 Q. Now -- and are the positions that those people held 17 vacant or have they been replaced with other people?
- 18 A. There's a mixed bag, quite frankly. I mean, some of
- 19 them -- I think you got some consultants in some of
- 20 those positions. I mean, I had no input at all. I
- 21 mean, I found out after the fact that either people
- 22 were removed or if somebody was coming in. I had -- I
- 23 never had the opportunity to interview even the new
- 24 CFO who came in, the new COO who came in. Those were
- 25 selected by Kevyn in a vacuum, as far as I'm



	Page 49
1	concerned.
2	Q. Moving on past February of 2013, as I recall, the
3	official appointment of Mr. Orr as the emergency I
4	forget whether it was the Emergency Financial Manager
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- 5 or Emergency Manager, but it took place sometime
- around the end of March. Is that generally consistent
- 7 with your recollection?
- 8 A. Yeah, I think March 25th was his first day.
- 9 Q. And from the meeting in DC up to March -- say March10 25th, did you have any conversations with Mr. Orr?
- 11 A. I may have had one phone -- one other phone12 conversation with him.
- 13 Q. And do you recall what the substance of that call was14 about?
- 15 A. I think more than anything else it was making sure
- that when he came on board, we were having a press
- 17 conference, introducing him as the Emergency Financial
- 18 Manager and wanted me to stand with he and the
- 19 Governor at that, because we didn't want, quote
- 20 unquote, a divided house, if you will, and I thought
- 21 it was better since an Emergency Manager was coming on
- board, it was no sense in us continuing to fight that.
- 23 If he could be helpful to turn this City around, it
- 24 would be better we do it together.
- 25 Q. So in that phone conversation was there any discussion

- Page 51
 We knew that this plan was going to negatively impact
- 2 a lot of folks in order for us to move forward with
- 3 implementation, but it was all about trying to manage
- 4 our way through without going to the route of
- 5 bankruptcy.
- 6 Q. And this was a document that was put together by you7 and people on your team; is that right?
- 8 A. That would be correct.

the Emergency Manager?

Q. And I see we've been going for a little over an hour,
 an hour and 20 minutes. It's probably a good time for
 a break, but let me ask you first up to this time this
 is now March 13, towards the -- by the end of March
 had you had any conversations with anyone else from
 the Governor's staff or with the Governor himself
 about Mr. Orr as the Emergency Financial Manager or

MR. CULLEN: Objection, foundation, form. You can address the question.

A. It was obvious to me in this time frame that Lansing had made their selection, so, I mean, that's something that I couldn't control so it was more important to me, once again, to be part of the team to help fix the City as opposed to constantly fighting and pushing -- and pushing back. I didn't think that would get us anywhere.

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- 1 of Chapter 9 filing?
- 2 A. No.
- 3 Q. Was there any discussion of anything related to 4 pensions?
- 5 A. No.

- 6 Q. I'm going to show you another document, Mr. Mayor,7 which we'll mark as Bing Number 3.
 - (Marked Exhibit No. 3.)
- 9 Q. For the record what we've marked as Bing Exhibit --
- what is this, 4? Three. Actually I think we had
- 11 previously marked this as Exhibit 22 to the Orr
- 12 deposition, but since I've forgotten about that, now
- we'll just leave it as Bing Number 3, but I believe it
- 14 is the same document.
- Do you recognize this document, Mr. Mayor?
- 16 A. Yes.
- 17 Q. For the record it's entitled City of Detroit
- 18 Restructuring Plan, dated March 23, begins with Bates
- 19 number DTMI00129416.
- 20 A. Yes.
- Q. And just briefly tell me what this is and I'll ask youa few questions about it.
- A. Well, it speaks to the things that we were working on,the recommendations that we had put together to get us
- 25 through a very tumultuous time in the City of Detroit.

- Page 52 1 Q. Okay. So after you had your initial conversations
- with Baird in February, you then met with Orr in the
- 3 end -- towards the end of February also in DC, and
- 4 then Orr -- there was an official announcement at the
- 5 end of March saying Orr's the new EM or the new EFM.
 - Prior to the meeting in DC and the official
- 7 announcement of Orr, did you have any contact with
 - anyone from the State about Mr. Orr's being made the
- 9 Emergency Manager or Emergency Financial Manager?
- 10 A. The answer would be very little, if any, because they
- 11 had the right to make the decision, they made the
- decision, so once again, I would prefer to work with
- the individual seeing what we could do together to fix
- 14 the City, a broken City.
- 15 Q. Okay, so let me just ask more directly. Did you haveadvanced notice before the public announcement that
- 17 the City -- the State was going to come out and make
- an announcement saying Kevyn Orr is our man?
- 19 A. Yes.
- 20 Q. And when were you told?
- 21 A. That had to be in early -- early to mid March.
- Q. And do you remember the specifics of that discussion,who told you what was said?
 - who told you what was said:
- 24 A. Whether that was Rich Baird or Andy Dillon, it wasn't25 the Governor.



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- Q. And other than them telling you that Orr was the man,
 did you have any other discussions about Mr. Orr with
- anyone from the State up till the end of March when
- 4 the formal announcement was made?
- 5 A. No.
- 6 MR. ULLMAN: Okay, why don't we just take a 7 short break now, because we've been going for awhile.
- THE VIDEOGRAPHER: Okay, we're off the record, 11:40 a.m. This completes disk one.
- 10 (A brief recess was taken.)
- 11 THE VIDEOGRAPHER: We are back on the
- 12 record at 11:48 a.m. This is disk two of the
- 13 deposition of David Bing. Please proceed.
- 14 BY MR. ULLMAN:
- 15 Q. Mr. Mayor, I would like you to refer to what we've
- marked as Bing Exhibit 3 and ask you to turn to the Bates page ending in 421 at the bottom.
- 18 A. Uh-huh.
- 19 Q. I guess before I ask you a specific question about
- 20 this, this document in general was intended to lay out
- 21 ways to raise -- both raise and save money from the
- 22 City's perspective; is that right?
- 23 A. That would be correct.
- 24 Q. And laid out in here were perhaps not all but a number
- 25 of the initiatives that you've previously made

- Page 55 1 Q. Did you have an understanding at the time this
- document was prepared, which was March 2013, as to
- 3 what the potential or estimated value of the real
- 4 estate that you referred to was?
- 5 A. The UAW building across the street is for UAW, that
- 6 was a \$5 million proposal. The recreation center was
- 7 a \$1.7 million proposal. I don't recall, because I
- 8 think there was an updated assessment being done on
- 9 the valuation for the tunnel.
- 10 Q. Okay, I'm not sure -- can you explain a little more
- 11 briefly what you meant about the UAW? You said that
- 12 there was a --
- 13 A. There's a building across the street, it's city-owned,
 - but the UAW has been leasing the building.
- 15 Q. You mean across the street from where we're sitting
- 16 here now?

- 17 A. From where we're sitting, yes, across the street on
- 18 Jefferson Avenue.
- 19 Q. Okay.
- 20 A. The UAW is leasing that building from the City. They
- 21 made a proposal to purchase the building and we had
- 22 really come to an agreement in principle to the tune
- 23 of about \$5 million.
- 24 Q. And what happened?
- 25 A. It's never closed. It has never closed at this point.

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- reference to; is that right?
- 2 A. That would also be correct.
- $3\,\,$ Q. $\,$ And I see in some of them there are cost savings that
- 4 are identified or potential cost savings in
- 5 parentheses. We were just looking at this page 421;
- 6 is that right?
- 7 A. Correct.
- 8 Q. Now, with respect to item 2C on the page I've asked
- 9 you to refer to, it's headed identified future cost
- 10 savings initiatives and there's a parenthetical saying
- that's in process and there's a long list of various
- 12 items that the City is pursuing at this time, and the
- 13 last one says asset monetization strategies; do you
- 14 see that?
- 15 A. Yes.
- 16 Q. Can you explain what that is referring to?
- 17 A. There was real estate that I knew we had been in
- discussions in terms of selling some real estate.
- 19 They also had been -- even going back in the
- 20 Kilpatrick administration there was discussion about
- 21 selling our rights in the Detroit/Windsor tunnel.
- 22 There was -- there was a recreation center that we had
- a proposal on, a closed recreation center. Those were
 some of the things that we talked about potentially
- 25 for monetization.

- Page 56 Q. So am I to understand it was effectively taken out of
- 2 your hands and you don't know what happened to it
 - since?

- 4 A. That would be --
- 5 MR. CULLEN: Objection, foundation, form.
- 6 Go ahead.
- 7 Q. You can answer the question.
- 8 A. That would be correct.
- 9 Q. And the Windsor tunnel, you said you're not certain
- 10 what the current -- there may be an updated valuation?
- 11 A. There may be an updated valuation. If I were to go
- 12 back 60 to 90 days or maybe even more than that, I
- 13 knew that there was an updated evaluation being done.
- 14 Q. And what was the valuation that you were familiar with15 as of March --
- 16 A. I don't recall. I don't recall what that was.
- 17 Q. Then you made also reference to a recreation center.
- 18 You said it was closed but there was some proposal
- that was made to purchase it; is that right?
- 20 A. Correct, to the tune of about 1.7 million.
- 21 Q. Do you know who made that proposal?
- 22 A. That was the Salvation Army.
- 23 Q. And as of the time as around March 13th, was that
- 24 something that looked like it was proceeding towards
- this closing?



Page 57 Page 59 1 A. Yes, it did. Did you as of the March 2013 time frame 1 2 Q. And was that taken out of your hands also? 2 have any understanding, just a general understanding, 3 A. Yes, it was. 3 as to what the value was of the art that's owned by 4 4 Q. And that like the other real estate you mentioned was the City of Detroit? 5 taken out of your hands by the Emergency Manager and 5 MR. CULLEN: Objection, foundation, form. 6 his team I take it? 6 A. The answer would be no. 7 A. The whole process --7 Q. And as you sit here today, do you have any 8 MR. CULLEN: Objection, foundation, form. understanding as to the value of the art that's owned 8 9 A. -- yeah. 9 by the City of Detroit? 10 Q. And did there come a time when someone -- how did this 10 MR. CULLEN: Same objection. 11 process come about that it was taken out of your 11 A. The answer would still be no. 12 hands? Did the Emergency Manager or someone from his Q. Are you aware of reports in the press stating that the 12 13 staff actually tell you or your staff, don't worry 13 city-owned art could easily be worth billions of 14 about these things anymore, it's not your business or 14 dollars? 15 words to that effect? 15 A. I have read that, yes. 16 MR. CULLEN: Objection. 16 Q. And do you have any reason to believe those reports 17 A. No. 17 are inaccurate? 18 MR. CULLEN: Foundation, form. 18 MR. CULLEN: Objection, foundation, form. 19 Q. How did it come about that it was taken out of your 19 Of what they report or the value or what, counsel? 20 hands? 20 MR. ULLMAN: I think my question was clear. 21 A. I actually went to the Emergency Manager and told him 21 Q. You can answer my question. 22 about these potential deals and in order for them to 22 A. I know that he's engaged Christie's to do an 23 go forward, he had to sign-off on it. He said to me 23 evaluation and I'm not sure that that's complete yet, 24 that it looked like they were decent deals and that he 24 so I have no idea of what the value may or may not be. 25 would, but obviously that hasn't happened yet. 25 Q. Okay. Let me ask you to turn now to the next page of Page 58 Page 60 this document, which is ending in Bates page 422. And 1 Q. And has there been any follow-up with the Emergency 1 2 Manager between him and you as to why he hasn't signed 2 this heading says, and I quote, "The Mayor's plan 3 3 includes strategies to implement changes that will 4 4 MR. CULLEN: Objection, foundation, form. significantly reduce general fund long-term 5 A. I think more than anything else he wants to look at liabilities." 6 some of the bigger issues that he's got to deal with 6 Do you see that? 7 as opposed to these things which he may consider, you 7 A. Yes. 8 8 Q. And so we're clear, what in brief is the general fund? know, not big issues. Q. Even though if these things went through, they would 9 A. That's the -- the general fund is what we use to run 10 at least bring in some immediate cash; is that right? 10 the City on a day-to-day basis. 11 A. They would. 11 Q. Now, in subpoint A, 3A, you give some -- you give two subpoints, two bullets. The second one says, 12 Q. As part of the asset monetization, did you give any 12 13 consideration to try to monetize art that is owned by 13 approximately 6 billion of City debt is owed by the 14 the City of Detroit and maintained at the Detroit 14 water and sewer department and does not have an impact on the general fund. Do you see that? 15 Institute of Arts? 15 16 A. Yes. 16 A. The answer would be no. 17 Q. And was there a particular reason you didn't give any 17 Q. Can you explain what you were referring to by those 18 consideration to that? 18 19 A. Back at that time when we were thinking about it, that 19 A. That -- that debt is paid by the users of the water 20 20 never came up, that was never a conversation that we and sewerage department, so there's a revenue stream 21 21 that pays that debt down, so it's not part of the had internally. I think since he's been on board, the

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general fund.

23 Q. Okay, and as you put it here, that that debt, while

it's on the books as City debt because the department

of water and sewer is part of the City, that doesn't,



subject obviously has gotten a lot of heat and a lot

of visibility. I'm not sure what's going to happen

25 Q. Okay. And do you -- let me ask it this way.

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- as you put it, have an impact on the general fund 1
- 2 because it's -- the water and sewer debt is paid for
- 3 by the department of water and sewer?
- 4 A. That would be correct.
- 5 Q. And that, as I understand it, is run as a separate
- 6 authority and has its own books and records and is
- 7 solvent; is that right?
- 8 A. That would be correct.
- 9 Q. You then go on in the next point, sub B, to refer to
- 10 pension unfunded liabilities, and you say
- approximately 650 million of unfunded liability as of 11
- 12 FY 2012 of which only 250 million relates to general
- 13 fund.
- 14 A. Uh-huh.
- 15 Q. Do you see that? And could you tell me what you meant 16 when you wrote that?
- 17 MR. CULLEN: Objection, foundation, form.
- 18 A. I believe that makes reference to both the payment to
- 19 the pension fund and maybe even to the healthcare
- 20 benefits.
- 21 Q. Okay, I'm going to be a little more specific. The
- 22 language of this restructuring plan states that
- 23 there's 650 million of unfunded pension liability. Do
- 24 you see that?
- 25 A. Uh-huh.

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Page 62 Q. And then it says of that only 250 million relates to

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- 2 the general fund. 3
- Can you tell me what that's referring to?
- A. No, not right off the top of my head I can't, no.
- 5 Q. So you don't recall what that level of detail is as to 6 the --
- 7 A. Correct, correct, correct.
- Q. Then the next bullet it -- well, I guess -- do you 8
- 9 recall where the 650 million liability -- unfunded
- 10 liability number comes from?
- 11 A. We have not -- we're not current with our pension
- 12 contributions.
- 13 Q. I guess let me ask it a little -- let me mark then
- 14 another document. We'll mark this as Bing 4.
- 15 (Marked Exhibit No. 4.)
- 16 Q. And Bing 4 for the record is an excerpt from a
- 17 document entitled Comprehensive Annual Financial
- 18 Report for the City of Detroit for its fiscal
- 19 year-ended June 30, 2012 and I've attached just two
- 20 pages of it because it's a very long document. 21
- Okay, Mr. Mayor? You've seen -- you know 22 what the Comprehensive Annual Financial Report is;
- 23 right? 24 A. Yes.
- 25 Q. And I've attached the pages that pertain to the

- Page 63 pensions and if you look on page 124, it talks about
- 2 the unfunded AAL on line 3 of that table.
- 3 A. Uh-huh.

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- 4 Q. And which stands for unfunded actuarial -- as I
- 5 understand it, actuarial accrued liability?
- 6 A. Correct.
- Q. And then if you look at the table, it says for the 7
- 8 General Retirement System there's a number of
 - approximately 640 million and on the Police and Fire
- 10 Retirement System it's about 4 million. Do you see
- 11 that?
- 12 A. Yes.
- 13 Q. And is it correct that that -- so that adds up to
- 14 about 644 million. Does that correspond to the
- 15 650 million that's in the restructuring plan that we
- 16 have as Exhibit 3?
- 17 A. Yes. ves.
- 18 MR. CULLEN: Objection, foundation, form.
- 19 Q. And when you -- the restructuring document refers to the unfunded liability at fiscal year 2012, is that 20
- 21 referring to the valuation that's referred to at the
- 22 top of page 124 of Bing 4 where it says, and I quote,
- 23 "The funded status of each plan as of June 30, 2011,
- 24 the most recent actuarial valuation date, is as
- 25 follows" and then gives a table?

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- MR. CULLEN: Objection, foundation, form.
- 2 A. And your question was?
 - MR. ULLMAN: Do you want to read it back?
 - If you don't understand, I'll rephrase it, but --
 - THE WITNESS: Yes. I just need --
- Q. Would it be easier if I just rephrased the question?
- 7 A. Go ahead.
- 8 Q. Okay. When you referred to the approximately
- 9 650 million of unfunded liability as of fiscal year
- 10 2012, okay, the unfunded liability as of 2012, is that
- 11 referring to the underfunding as reported as of the
- 12 June 30, 2011 actuarial valuation which is referred to
- 13 on the top of page 124?
- 14 A. The answer would be --
- 15 MR. CULLEN: Objection, foundation, form.
- 16 When you say when you refer, you mean -- are you 17 implying that he wrote this document personally?
 - MR. ULLMAN: No, he and his team.
- 19 Q. I'm obviously referring to that in the general sense.
- 20 I didn't intend to imply that you physically drafted
- 21 this, Mr. Mayor. I understand this was put together 22 by you and people working for you.
- 23 A. And the answer to that would be yes.
- 24 Q. And also under this -- going back to page 422 of
- 25 Exhibit 3 under the subheading B under pension



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- unfunded liabilities it says, the City is developing a
- 2 plan to reduce the unfunded liability.
- 3 Do you have any recollection as to the
- 4 specifics of that plan?
- 5 A. No, I don't.
- 6 Q. Now, you recall -- or let me ask you.
- 7 Are you aware that on June 14th, 2013 the
- Emergency Manager had a meeting with creditors? 8
- 9 A. I'm aware.
- 10 Q. Prior to the time that he was appointed or I should
- 11 say -- let me withdraw that.
- 12 Prior to the time that the Emergency
- 13 Manager's appointment was formally announced and June
- 14 14, 2013, did you have any conversations with the
- 15 **Emergency Manager himself?**
- 16 A. Yes.
- 17 Q. And do you recall how many?
- 18 A. We don't -- we don't meet that often. You know, if we
- 19 meet once or twice a week, that's about it and the
- 20 meetings are usually very short meetings. Usually
- 21 called by me.
- 22 Q. And can you say how long a typical meeting would last?
- 23 A. Thirty minutes tops.
- 24 Q. During that time between March 25th and June 14th do
- 25 you recall any discussions with the Emergency Manager

1 A. No.

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- 2 Q. And did you have any conversations with him in which
- 3 he specifically referred to a Chapter 9 bankruptcy as
 - a way to deal with the pension issues?
- 5 A. I believe the answer to that would be yes. I can't be
- 6 very specific, I don't recall, but I think -- I
- 7 believe that conversation -- or a conversation like
- 8 that did occur.
- 9 Q. Okay, and can you give me, as best you can recall, a
- 10 time frame as to when?
- 11 A. I think it would be in that same May time frame in one
- 12 of our discussions.
- 13 Q. And can you tell me with as much specificity as you
 - can remember what the Emergency Manager said during
- 15 that conversation?
- 16 A. Once again, with not a lot of specifics, but in order
- 17 to fix the problems of the City where -- I know this
- 18 number has been thrown out a lot, the \$3.5 billion of
 - unfunded liabilities, etc., etc., I mean, he talked
- 20 about that, but that was a generality and so it was no
 - more -- it was not more specific than that.
- 22 Q. But he referred to Chapter 9 as a way to get rid of or
- 23 address what he referred to as a 3.5 billion unfunded
 - liability?
- 25 A. As a possibility.

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- Page 66 concerning pensions, anything to do with pensions?
- 2 A. I -- yes.

- 3 Q. And tell me what you recall.
- 4 A. You know, the general conversation was that pensions
- 5 are a major problem that we have and we've got to
- 6 address it.
- 7 Q. And do you recall when those conversations took place?
- A. Probably more in the May time frame.
- 9 Q. And was there any conversation with the Emergency
- 10 Manager as to how the Emergency Manager intended to
- 11 address the issues of pensions?
- 12 A. No.
- 13 Q. Was there any discussion with the Emergency Manager
- 14 during the period I've been asking about, the end of
- 15 March and June 14, about the City's filing for Chapter
- 16 9 bankruptcy?
- 17 A. I think the only conversations we may have had about
- 18 that is that's the last resort and that's from him
- saying, you know, that's not the direction we want to 19
- 20 go in and it would be last resort.
- 21 Q. Did the emergency -- did you have any discussions with
- 22 the Emergency Manager in which he indicated that he
- 23 had any approaches or thoughts as to how to address
- 24 issues relating to pensions other than filing for
- 25 Chapter 9 bankruptcy?

- MR. CULLEN: Objection, foundation, form.
- 2 You can answer.
- 3 A. As a possibility.
- 4 Q. And did Mr. Orr tell you at that time that the
- 5 unfunded liability was indeed 3.5 billion?
- 6 A. The answer to that would be yes.
- 7 Q. And did he tell you that that had been shown through
 - an actuarial valuation?
- 9 A. The answer to that would be yes.
- 10 Q. During that conversation or any other conversation
 - with Mr. Orr during the March 25 through June 14 time
- 12 frame, was there any discussion with Mr. Orr of what
- 13 we've referred to previously and I've shown you the
- 14 pension clause in the Michigan Constitution or any
- 15 other legal impediments to -- affecting pension
- 16 rights?
- 17 A. No.
- 18 Q. Let me ask you the same questions now -- well, let me
- 19 preface it by saying you're aware, of course, that
- 20 there was a bankruptcy filing on July 18.
- 21 A. That would be correct.
- 22 Q. Okay. Now, during the period between June 14, that
- 23 was when the creditor proposal was issued, and the
- 24 filing, did you have any conversations with Mr. Orr?
- 25 A. About?

1 Q. Just in general first.

- 2 A. Yeah, we probably had general conversations, but
- 3 nothing relative to the filing.
- 4 Q. Okay. So between June 14th and July 18th did you have
- 5 any conversations with Mr. Orr regarding pensions at
- 6 all?
- 7 A. No.
- 8 Q. Any discussions with Mr. Orr at all regarding the
- 9 possibility of a Chapter 9 filing?
- 10 A. No.
- 11 Q. So I take it the Chapter 9 filing a complete surprise
- 12 to you?
- 13 A. Yes, it was.
- 14 Q. I've asked you conversations with Mr. Orr concerning
- pensions and Chapter 9. Going back, we don't have to
- do it in two time frames, but between March 25th which
- 17 is when the -- the last point we asked about and July
- 18 18th, did you have any conversations with anyone from
- 19 the State about the City's unfunded pension liability?
- 20 A. No.
- 21 Q. And during that same time frame did you have any
- 22 conversations with anyone from the State about the
- 23 possibility of a Chapter 9 bankruptcy filing?
- 24 A. No.
- 25 Q. Now, you said you were not made aware in advance of

- Page 71 1 Q. Now, were you aware that around -- as of the time the
- 2 bankruptcy filing was made that there was state court
- 3 litigation that was ongoing that was challenging the
- 4 ability of the Emergency Manager to file for Chapter
- 5 11 -- I'm sorry, for Chapter 9 in the first place?
- 6 A. I read that in the paper.
- 7 Q. Okay. Did you ever hear that the City made its
- 8 bankruptcy filing at the time it did in order
 - effectively to get it in before the state court issued
- 10 what the City expected to be an adverse ruling?
- 11 A. No.

9

- MR. CULLEN: Objection, foundation, form.
- 13 A. I think I read that in the paper the following day.
- 14 Q. Now, I think you had indicated previously that you had
- been opposed to the idea of the City having to file
- 16 for bankruptcy, you didn't think it was necessary; is
- 17 that right?
- 18 A. That's correct.
- 19 Q. And I remember you gave -- one last -- a couple last20 questions.
- You gave an interview with the Emergency
- 22 Manager I think it was either the day of or the day
- 23 after the filing. Do you recall that? You -- I think
- 24 you talked about a troubling day for Detroit.
- 25 A. Somewhat remember that, yeah.

Page 70

Page 69

- 1 the bankruptcy filing. I take it you were made aware
- 2 of the bankruptcy filing after it happened?
- 3 A. No. The day that he was going to file is when he told
- 4 me he was going to file.
- 5 Q. Okay. And did he -- what was the substance of what he
- 6 told you? Did he just say we're filing or did he give
- 7 any explanation?
- 8 A. That's all he said, we're filing, today.
- 9 Q. And what time did he say that? Do you remember?
- 10 A. This was in the afternoon so it had to be somewhere
- between 3 and 4 o'clock, somewhere in there I think.
- 12 Q. And at that time he didn't give you any explanation as
- 13 to why?
- 14 A. No.
- 15 Q. And did you have conversations with Mr. Orr subsequent
- 16 to the filing discussing the reasons why the filing
- 17 had been done?
- 18 A. No.
- 19 Q. Did Mr. Orr ever discuss with you the reasons for the
- 20 timing, the specific timing, of the filing?
- 21 A. No, he didn't.
- 22 Q. Did you have any discussions with anyone from the
- 23 State as to the specifics of the timing of the
- 24 bankruptcy filing?
- 25 A. No.

- Page 72 1 Q. And you introduced Mr. Orr who then made his comments.
- 2 In the course of that press conference you made the
- 3 statement to the effect that Mr. Orr and his team have
- 4 brought together -- have brought together a lot of
- 5 history of success or words to that effect. Do you
- 6 recall making that statement?
- 7 A. No.
- 8 Q. Do you -- are you aware of any history of success that
- 9 Mr. Orr and his team have?
- 10 A. Only Chrysler.
- 11 Q. Only in the context of bankruptcy?
- 12 A. Yeah.
- 13 Q. Are you aware of any success or history of success
- 14 that Mr. Orr has had outside the context of
- 15 bankruptcy?
- 16 A. No.
- 17 Q. Now, you obviously, you know, have been following even
- 18 if you've not been directly involved in what the
- 19 Emergency Manager has been doing; right?
- 20 A. Uh-huh.
- 21 Q. And you've been looking at or since obviously Detroit
- 22 is impacted by what he's doing in terms of both
- 23 reducing liabilities and trying to raise or conserve
- 24 cash; right?
- 25 A. Correct.



MAYOR DAVE BING

CI	TY OF DETROIT, MICHIGAN			73–76
3	Q. Now, when exactly did Kriss Andrews leave? I forget. You may have told me. A. It was late July of '13.	2	A.	Okay, and did you have an oral discussion with Mr. Andrews about this? Yes, I did.
4	Q. And did you just have discussions with Mr. Andrews	4		Okay, and did you advise Mr. Andrews that you
5	before the time he left as to with the job that the	5	C	concurred in the views that he expressed here?
6	Emergency Manager was doing, whether he was doing a	6		MR. CULLEN: Objection, foundation, form.
7	good job or a bad job, being effective or not being	7	A.	I would say the answer would be yes.
8	effective?	8	Q.	And then did you in fact agree with the views
9	A. Yes.	9	e	expressed in this document, Bing 5, by Mr. Andrews?
10	Q. And can you relate were you in agreement with the	10		MR. CULLEN: Objection, foundation, form.
11	views of Mr. Andrews or did you and he have different	11	A.	The answer would be yes.
12	views?	12	Q.	Okay, and let me just go through some of this briefly.
13	MR. CULLEN: Objection, foundation, form.	13		I think in the first couple of paragraphs Mr. Andrews
14	That's an unfair question, counsel. Which views?	14		essentially says that he's giving the Emergency
15	Q. You can answer my question.	15		Manager good mark good marks in long-term
16	A. I was in agreement with Mr. Andrews.	16		liabilities, stating at least in his view that the
17	Q. And can you tell me what the substance of the	17		Emergency Manager was building on many of the
18	discussions were and in particular the views expressed	18		initiatives that you had started previously?
19	by Mr. Andrews with which you agreed?	19	A.	Correct.
20	A. I think he felt as far as	20	Q.	And did you agree with that assessment?
21	MR. CULLEN: Objection, foundation. You	21	A.	Yes.
22	can address it.	22	Q.	Then Mr. Andrews goes on and starts discussing
23	A. I think he felt as far as the balance sheet issues	23		operations, which he says are a different matter
24	were concerned that Kevyn had the ability to help	24		altogether and basically his Mr. Andrews'
25	solve problems in that realm, but from a restructuring	25		conclusion is that the Emergency Manager, and I quote,
1	Page 74 standpoint he didn't think that he had the requisite	1	,	Page 76 threw away the head start we gave him. He frankly is
2	skills to do an effective restructuring.	2		not competent at all. In fact, he's embarrassingly
3	Q. Now, was this these were discussions let me ask	3		ncompetent and only listened to his equally
4	it this way.	4		ncompetent staff and did not well-exercise the added
5	Was this a discussion that took place at	5		powers he had."
6	one point in time or was this	6	١	So Mr. Andrews gives him an A in long-term
_	A. It was ongoing.	7	li	iabilities and an F in operations.
8	Q. These were ongoing discussions with Mr. Andrews? Just	8		And did you agree with that assessment by
9	during what time frame?	9		Mr. Andrews?
10	A. I think from probably April through June.	10	,	MR. CULLEN: Objection. Every word of it,
11	Q. Let me mark as the last exhibit I will show you Bing	11		counsel? Is that what you're asking?
12	5.	12		MR. ULLMAN: My question is pretty plain.
13	(Marked Exhibit No. 5.)	13		You can answer.
14	,	14		MR. CULLEN: No, it's an objectionable
15	MR. ULLMAN: I'll just state for the record what we've marked as Bing 5 is an email from	15		question, but he can answer it.
16	Kriss Andrews to Mayor Bing dated July 10, 2013. The	16		MR. ULLMAN: Then your objection stands and
17	first page bears Bates numbers DTMI00098861.	17		the question would be answered.
18	Q. Are you familiar with what we've marked as Exhibit	18		From my vantage point, you know, I'm not going to give
19	Bing 5, Mr. Mayor?	19		him a grade from A to F in either one of those areas,
20	A Voc	20		but I would caree that his etrenath was in declina

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21 Q. And can you tell me what this is?

22 A. I asked Kriss, because at this time I knew he was

and this is the feedback that I got from him.

leaving and I asked him to give me a kind of overview

in terms of what he'd seen since Kevyn came on board

20 A. Yes.

23

24

25

but I would agree that his strength was in dealing

with the long-term liabilities and not operations.

22 Q. And Mr. Andrews goes so far as to say that in at least

in the restructuring aspect and the operational

aspect. Did you agree with that?

Mr. Andrews' view that he's not doing a competent job

CITT	DETROIT, MICHIGAN			11-00
1	Page 77 MR. CULLEN: Objection, form and	1	Α	Page 79 L. I would say yes, but they've only been there for the
2 for	undation.	2		last four to six weeks so maybe it's too soon to
	es, I would.	3		really do a good assessment, but they are the right
	And he gives he, meaning Mr. Andrews, goes on to	4		company and I believe given time and tools, they will
	scuss some specific points that he believes, he	5		make major improvements.
	r. Andrews, believes support that conclusion. I want	6	Ω	Okay, and does DDOT have any importance as concerns
	ask you about some of those.	7	Q	Detroit's financial viability in terms of being able
8	Mr. Andrews he has items 1 through 4	8		to offer public transportation to citizens or things
	itially. Mr. Andrews first talks about issues			like that?
	•	9		MR. CULLEN: Objection.
	rith you called it DDOT?			•
		11		Q. Is that something that's important to have in place
	And he says that they were ready to choose I guess	12		for recovery?
	IV is someone, is a person?	13		MR. CULLEN: Objection, foundation I'm
	No, that's a company	14		sorry. I didn't know whether there was going to be
	Oh.	15		another clause in the question.
	that manages transportation.	16		MR. ULLMAN: No, no more clauses.
	Okay. And then it goes on to say, the Emergency	17		MR. CULLEN: Okay. Objection, foundation,
	lanager slowed the process down and he says that	18		form.
	Ithough he, meaning Orr, gave me a poor excuse for so	19		MR. ULLMAN: Duly noted.
	oing, it does not hold water.	20		Q. You can answer.
21	Can you tell me in your own words, what was	21		A. As one of my initiatives, one of my key initiatives,
	ne situation, the issue, with DDOT?	22		public transportation is one of the top five
	We had poor management at best at DDOT. And before we	23		initiatives from my vantage point, because it impacts
	ranted to make any long-term decisions, what to do	24		so many of our citizens who have either got to travel,
25 w	ith the transportation department, we felt we had to	25		a lot of them don't have cars, a lot of them work
4	Page 78			Page 80
_	et a capable management team in there to do the	1		outside of the City and if you don't have dependable
	ssessment and make some improvements before we made	2		public transportation, it does create a major issue.
	ny final long-term decision and so we chose we had	3		Plus we've been subsidizing DDOT out of our general
	nosen MV and Kevyn stopped that process and	4		fund for some time so the quicker that we can fix it,
	timately, maybe three months later, chose the same	5		the less subsidizing we have to get get over to
	ompany that we recommended. So we think we lost	6	_	DDOT.
	ne.	7	Q	Q. Let me go onto the next item listed is number 2.
	Dkay, and so during that three-month period the same	8		Mr. Andrews writes, we should also be progressing on
	ior, as you characterize it, bad management	9		providing the new management team in PLD.
	ontinued in place?	10		Can you tell me what
11 A. \		11		A. Public lighting department.
	And that resulted in continued were they losing	12		Q. Ah, okay. And can you explain what the issue is here?
	noney, DDOT?	13		A. We have 88,000 lights in our City with about 40,000
14 A. \		14		that are working. We have a system that is so
15 Q. S	So it continued that perpetrated or perpetuated	15		outdated that even with new technology, you know, we
16 at	t least for that three-month period the same	16		we can't fix it. So there's got to be a huge
17 o	peration losing money?	17		investment into public lighting. It's something that
18	MR. CULLEN: Objection, foundation, form.	18		we've been talking about for years and years. We have
	We didn't see any improvement in efficiencies plus the	19		a plan to put in place to invest in a new lighting
	act they were still the same kind of complaints that	20		grid across the entire City and, once again, we
	ve were getting from the ridership and we felt that if	21		haven't moved the needle on that at all. We had a
	nere had been a management team in there sooner, we	22		Lighting Authority legislation was passed in December
	ould have probably made some improvements.	23		of 2012 and we had an opportunity I think to put some
	Okay. And have there been improvements since MV was	24		lights on in different parts of the City, but it
25 p	ut in place as the manager?	25		hasn't happened as I speak to you now.



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4

- 1 Q. And do you know why it -- why things have been, in the
- words of Mr. Andrews, been slowed down?
- 3 A. Once again, I would say to you, and this is more
- 4 hearsay than anything else and this would be from --
- 5 MR. CULLEN: Objection, foundation.
- 6 A. What I hear is Lansing wants to take some credit for
- 7 fixing the lighting system and they're trying to get
- 8 the funding, 100 -- I think it's \$150 million they
- 9 want to go to the bond market. That hasn't happened
- 10 yet. So the investment that's necessary to put on
- 11 lights and start to fix the system has taken much
- 12 longer than any of us anticipated.
- 13 Q. Now, at the time that Mr. Andrews wrote this email to
- 14 you, he was still part of your team; right?
- 15 A. Correct.
- 16 Q. He was still the -- what was his title? Was it
- 17 program manager director?
- 18 A. Program director.
- 19 Q. And you had asked him to write this email to you as
- 20 part of his job duties?
- 21 A. Yes.
- 22 Q. To inform you as to --
- 23 A. How things were going, yes.
- 24 Q. And that's what this is? This is the email that he
- 25 wrote while in the -- employed in the capacity of

- Page 83 Q. Going onto number 3, it says, similar issues surfaced
- 2 around the Lighting Authority.
- 3 Let me ask you. What's the difference
 - between the PLD and the Lighting Authority?
- 5 A. Lighting Authority is independent of PLD. The
- 6 Lighting Authority is more regional. We had had
- 7 legislation passed and so those people on the
- 8 authority are not employees of the City, it's
- 9 independent.
- 10 Q. And do they have -- do they deal with different --
- 11 with lights in different parts of Detroit than PLD?
- 12 I'm not sure what the interplay between the two is.
- 13 A. No, it would be the exact same PLD, but see, with PLD,
- 14 we don't control all the lighting in the City, DTE
- 15 controls probably at least 40 percent of the lights in
- 16 the City because they have upgraded and they have made
- 17 the necessary technology, investments in 40 percent of
- lights in the City so their grid works, ours doesn't.
- 19 Q. DTE is what?
- 20 A. Detroit -- DTE, Detroit -- Detroit Edison.
- 21 Q. Detroit Edison supplies the electricity or --
- 22 A. PLD also has the ability to generate electricity, but
- once again, it's such an old, outdated entity they've
 - not made any kind of investments in their system in 30
- or 40 years, so a lot of the system is just broken, it

Page 82

24

2

- 1 program manager director in response to your request
- 2 that he do so?
- 3 A. That would be correct.
- 4 Q. And this was within the ordinary scope of his job
- 5 activities?
- 6 A. Yes.
- 7 Q. And you had asked him as part of his job to observe
- 8 and monitor what was going on in the City under the
- 9 direction of the Emergency Manager and report back to
- 10 you?
- 11 A. Yes.
- 12 Q. Now, Mr. Andrews writes in this -- and this is on both
- points one and two, he writes, and I quote, "He" --
- 14 the he there referring to Mr. Orr -- "He told me a
- disaster at DDOT would not be a problem for him since
- 16 it would highlight how screwed up the City is." And
- 17 then similarly, if you look at number 2, Mr. Andrews
- writes that the EM slowed the process here also and
- said the same thing, a disaster at PLD would not be a
- 20 bad thing because it would highlight how messed up the
- 21 City is.
- 22 Did you ever have any conversations with
- 23 Mr. Orr in which Mr. Orr conveyed the substance of
- 24 what is reported here by Mr. Andrews to you?
- 25 A. No.

- Page 84 can't even be fixed, you can't even get replacement
- 3 Q. Okay, just -- so you had indicated there were 88,000
- 4 lights --
- 5 A. Correct.
- 6 Q. -- in Detroit? And some of those --
- 7 A. Some of them are on the grid with DTE.
- 8 Q. Okay. And those are DTE's responsibility?
- 9 A. Correct.
- 10 Q. And some are the responsibility of PLD?
- 11 A. That would be correct.
- 12 Q. And that's about how many?
- 13 A. That's probably around 55,000.
- 14 Q. And then are others the responsibility of the Lighting
- 15 Authority?
- 16 A. No, no.

24

- 17 Q. That's why I'm still a little unclear as to how the
- 18 Lighting Authority factors into this.
- 19 A. We went to the outside, because we thought that one of
- 20 the things we were thinking about doing was
- 21 outsourcing the responsibility of lighting the City of
- 22 Detroit. We didn't think that we had the capacity or
- the capability to do that internal so we were talking
- 25 the Lighting Authority in place because DTE did not

to DTE as an alternative source, but we wanted to have



- want to make the necessary investment, so we had to do 2
- that through this Lighting Authority by issuing bonds.
- 3 Q. Okay, so one option was to work with DTE, but that
- didn't look like it was going to work so the Lighting 4
- 5 Authority is a regional authority and you were going
 - to like bring them in through the floating of bonds to
- 7 have them help take over and fix the lights in
- 8 Detroit; is that it?
- 9 A. Yep, yep, yep.
- 10 Q. And is there a name of this authority or is that a 11 particular name?
- 12 A. No, Detroit Lighting Authority.
- 13 Q. Just called the --
- 14 A. Yeah.

1

6

15 Q. There you go. Works for me.

16 Okay, and so what is -- can you explain the 17 issue that Mr. Andrews is writing about here in item 3

- 18 when he says similar issues surfaced with the Lighting
- 19 Authority?
- 20 A. We -- one of the big issues that we have is with our
- 21 union employees, because as you start talking about
- 22 outsourcing, in a lot of cases they may very well lose
- 23 a job, they're at risk, and as far as the lighting --
- 24 the lighting department is concerned, you're not
- 25 talking about a lot of people and there were
- Page 86
- 1 negotiations, I'm not involved in that, where those
- 2 people who wanted to stay as City employees could be
- 3 transferred over to an outside third-party and
- 4 wouldn't lose their jobs. So a lot of those
- 5 negotiations were going on, but what Kriss is saying
- 6 is that Kevyn slowed that process down which kept us
- 7 from moving forward to try to get the investment in
- 8 place and start to get lights on in the City.
- Q. And is that process still ongoing to where --
- 10 A. That's ongoing.
- 11 Q. And are people -- but it's just ongoing, as I think
- 12 you had said, in a slower way than you had expected it
- 13 would be given the work -- the groundwork that you had
- 14 done?

16

- 15 A. That would be correct.
 - MR. CULLEN: Objection, foundation, form.
- 17 Q. And Mr. Andrews writes that they went to Kevyn and got
- 18 a deal which forces the City to put in more money than
- 19 they need and essentially saying a better deal than
- 20 they were able to negotiate with the City without the
- 21 Emergency Manager.
- 22 Do you have an understanding as to what
- 23 Mr. Andrews is referring to here?
- 24 A. If I recall, there's a tax that's about \$12.5 million
- 25 a year that I think I recall that is utilized once the

- Page 87 -- once you've gone out and you've secured the bonds, 1
- 2 you can use this tax to pay down the loan, and this
- 3 Authority did not need the \$12.5 million in year one,
- 4 but he's -- I think he told me that Kevyn gave them
- 5 the \$12.5 million and his feeling was that they only
- 6 needed as a startup entity 2 to \$3 million. Why not
- 7 use the rest of the money to put into other areas that
- 8 the City needs and I think that's what his -- what he 9
 - was referring to.
- 10 Q. Okay. In item 4 Mr. Andrews makes a number of -- I
- 11 guess it's some general observations. One is ordering
- 12 us not to coordinate with the consultants we hired to 13 help us.
 - Do you have an understanding as to what that's referring to?
- 16 A. Yeah, Kriss was told not to -- not to have any contact
- 17 with the consultants and that the consultants that
- 18 were coming in were very inexperienced people, that
- 19 had really no knowledge of Detroit and of municipal
- 20 government, so it really slowed the process down.
- 21 Q. And did Mr. Andrews tell you that he had been told not
- 22 to have contacts with the consultants?
- 23 A. Yes.

14

15

- 24 Q. And when did -- did he tell you that directive was
- 25 given?

- Page 88
- 1 A. Oh, that was given by Kevyn. I don't know the exact timing of that. It had to be in the April/May time 2
- 3 frame.
- Q. And up to the point of that directive had Mr. Andrews
- 5 been having contact with the consultants?
- 6 A. Yes.
- 7 Q. And is that something you would know due to your
- 8 supervision of Mr. Andrews?
- 9 A. Yes.
- 10 Q. And after that directive was given did Mr. Andrews
- 11 continue to have contact with the consultants?
- 12 A. No.

- 13 Q. And then Mr. Andrews goes on to say, putting in place
- 14 very inexperienced staff to control things.
 - Do you have an understanding as to what
- 16 Andrews was referring to there?
- 17 A. All the consultants.
- 18 Q. Well, he's referring specifically to staff. Is
- 19 that --
- 20 A. Well, they -- they became staff.
- Q. Oh, okay. Anyone in particular? 21
- 22 A. It's a bunch of them.
- 23 Q. You mean these were people that Mr. Andrews -- Mr. Orr
- 24 brought in to take on positions in the City management
- 25 structure to replace people that you had previously



	Page 89		Page 91
1	installed; is that right?	1	don't even have a line item in our budget for
2 A	That would be correct.	2	training. Somebody's got to get trained to do these
3 Q	. And can you just give me you don't have to name	3	jobs on a long going basis.
4	names but give me some of the positions where you	4	Q. So when you said you made some reference to young
5	believe he put in people who are inexperienced or very	5	consultants that were brought in. Is it the case that
6	inexperienced.	6	the Emergency Manager has put in staff positions
7	MR. CULLEN: Objection, foundation, form.	7	people who are actually consultants rather than
	- ·		
8	Which is it?	8	long-term employees of the City?
9	MR. ULLMAN: I think we'll go with very		A. Yes.
10	inexperienced.	10	MR. CULLEN: Objection, foundation, form.
	He brought on a CFO from the outside to replace Jack	11	•
12	and everybody said from day one he was not a good fit.	12	people?
13	I believe he'll be relieved of his duties for other	13	A. No, I don't.
14	reasons this week. Kriss was replaced by Gary Brown,	14	Q. But that's at a lower level so you don't know the
15	who was a City Council City Councilman who has	15	specific names?
16	never run anything much less 11 different departments	16	A. Correct.
17	reporting to him. He was a police officer before he	17	Q. But it's your understanding that that's what's
18	became a City Councilman and he took Kriss' place.	18	
19	Karla has not been replaced at all, Karla Henderson,	19	Correct. I get feedback from a lot of my department
20	who I think was one of our high profile leaders that	20	
21	really did an outstanding job in blight elimination	21	they're frustrated as hell.
22	and planning for the City. She's not been replaced to		Q. And can you tell me who are some of these department
23		23	
	my knowledge. Only recently our director of		
24	purchasing has left and he has not been replaced. So		A. All of them.
25	a lot of the key people that they're taking out, what	25	Q. Mr. Andrews also says that the Emergency Manager is
	Page 90		Page 92
1	they're doing is putting in consultants in those	1	not listening to Conway MacKenzie. Do you see that at
2			ul
	positions and, you know, they're learning on the fly	2	the top of Bates page 862?
3	and just, once again, it's not efficient.	3	A. Yes, I see that.
	and just, once again, it's not efficient. I think you mentioned specifically two people who were	3	A. Yes, I see that.Q. Do you have an understanding of what he was referring
	and just, once again, it's not efficient. I think you mentioned specifically two people who were replaced who you didn't believe were good people or	3 4 5	A. Yes, I see that.Q. Do you have an understanding of what he was referring to there?
4 Q	and just, once again, it's not efficient. I think you mentioned specifically two people who were	3 4 5	A. Yes, I see that.Q. Do you have an understanding of what he was referring
4 Q 5	and just, once again, it's not efficient. I think you mentioned specifically two people who were replaced who you didn't believe were good people or	3 4 5	A. Yes, I see that.Q. Do you have an understanding of what he was referring to there?
4 Q 5 6	and just, once again, it's not efficient. I think you mentioned specifically two people who were replaced who you didn't believe were good people or experienced people. You mentioned CFO, Jack Martin,	3 4 5 6	A. Yes, I see that.Q. Do you have an understanding of what he was referring to there?A. No, I don't. Conway MacKenzie is the restructuring
4 Q 5 6 7	and just, once again, it's not efficient. I think you mentioned specifically two people who were replaced who you didn't believe were good people or experienced people. You mentioned CFO, Jack Martin, as I recall, and then Kriss Andrews himself who was	3 4 5 6 7 8	 A. Yes, I see that. Q. Do you have an understanding of what he was referring to there? A. No, I don't. Conway MacKenzie is the restructuring the primary restructuring firm, but I'm you know, I
4 Q 5 6 7 8	and just, once again, it's not efficient. I think you mentioned specifically two people who were replaced who you didn't believe were good people or experienced people. You mentioned CFO, Jack Martin, as I recall, and then Kriss Andrews himself who was replaced by Gary Brown. Anyone else that was put out	3 4 5 6 7 8	 A. Yes, I see that. Q. Do you have an understanding of what he was referring to there? A. No, I don't. Conway MacKenzie is the restructuring the primary restructuring firm, but I'm you know, I have no contact with them at all. Q. So you don't know the specifics of what Mr. Andrews
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haven't developed anybody to run the City on a

day-to-day basis. That's my biggest concern. We

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are the things that I focused on earlier.

25 Q. Mr. Andrews states in this paragraph that the

Page 93 announced savings of 15 million are ridiculous and he
says they don't really know what the savings are, if
there are any

Do you see that? Do you have an understanding of what's referred to there?

- 6 A. Yeah, I think you first got to know your internal 7 costs and I think what Kriss is saying if you don't
- 8 know your internal costs, how do you know that when
- 9 you go out, without quoting other companies, that
- 10 you're going to save this money? And so, you know,
- 11 that work had not been quoted out.
- 12 Q. I'm sorry, what work had not been quoted out?
- 13 A. Trash and garbage pickup.
- 14 Q. I'm -- I'm not -- I'm sorry, I'm not following.
- 15 A. Solid waste.

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- 16 Q. It had not been quoted out. I thought there was an
- 17 RFP that was put out for solid waste?
- 18 A. It may have been now, but before -- but I think he was
- 19 given information on this 15 million savings before
- 20 any information came back from the RFP.
- 21 Q. Oh, you're saying that there was an announcement that
- 22 there would be a savings of 15 million --
- 23 A. Right.
- 24 Q. -- before the specifics of the RFP were in --
- 25 A. Correct.

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11

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- Page 95 the Planning Department and shift it over to DEGC,
- DEGC doesn't even want all of that, doesn't make -- we 2
- 3 don't think it makes a lot of good sense right now.
- 4 Q. Okay. And there's also the last point that
- 5 Mr. Andrews makes, number 3, is about putting a new
 - chief in place. I think he's suggesting it should be
- 7 an existing person as opposed to someone brought in
- 8 from the outside?

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- 9 A. Too late. That's done. Traditionally -- historically
- 10 I should say the police chief and the fire
- 11 commissioner were always appointees selected by the
- 12 Mayor. With the kind of problems that we've had from
- 13 a public safety standpoint and with the turnover of
 - police chiefs since I've been in office, they made a
- 15 change so that the Mayor no longer selected the police
- 16 chief. The police chief was selected by Lansing going
- 17 back -- actually he started July 1st, but they didn't
- 18 follow the process and we have a police commission
 - that purportedly has the responsibility of selecting
- 20 and interviewing and they have a process of
- 21 identifying police chiefs. It didn't happen that way
- 22 with them. And I had no input into it at all and when
- 23 I found out that they were ready to name a police
 - chief and they showed me a couple names, they had no
- 25 internal candidates at all and I went to Kevyn and

- 1 Q. -- compared so you could then compare with what the 2 internal --
- 3 A. What the internal cost was, correct.
- 4 Q. Okay. And at that time were the internal costs -- had
- 5 they been tabulated, calculated?
- A. I don't know the answer to that.
- 7 Q. Number 2 on this last list of Mr. Andrews is moving 8 PDD to DEGC.
 - Can you tell me what that refers to?
- 10 A. You got to learn the acronyms here. Planning and
- 12 Corporation, and you know you got two functions that

development and DEGC is Detroit Economic Growth

- 13 do planning for the City of Detroit. DEGC is a little
- 14
- different. They're basically about new business
- 15 coming into town and they're more growth oriented than
 - anything else. They don't get into the nitty-gritty
- 17 of managing what happens in city departments on a
- 18 day-to-day basis. We don't think, meaning my
- 19 administration, don't think that that's a good use of
- 20 the skill sets that we have in the two departments.
- 21 There may be some things and we've even heard from
- 22 HUD, which is a big supporter of our Planning 23 Department, there are things that we can't transfer to
- 24 DEGC. And so when people just with blinders on
- 25 saying, you know, take all the responsibilities from

- Page 96 said, you know, you got to -- we've got almost 3,000 1
 - 2 police officers in the City of Detroit, you can't make 3
 - me believe that we don't have somebody internally who
 - 4 has the capability and capacity to be considered and
 - 5 at the 11th hour they did interview two internal
 - 6 candidates but the reality is that the die was cast.
 - 7 The guy who they selected is the guy that's here now
 - from Cincinnati.
 - 9 Q. And then lastly, if you look at the second to the last 10 paragraph in this email, Mr. Andrews makes reference 11 to a gag order or gag orders from Kevyn, which he says
 - 12 only support the very poor reporting.
 - 13 Do you have an understanding as to what 14 he's referring to when he uses the phrase gag orders
 - 16 A. I think anytime -- we got a different kind of press
 - 17 here. I don't know. Are you from here?
 - 18 Q. I'm from New York.

from Kevyn?

- 19 A. Okay, our press may be worse than New York press.
- 20 Q. That's a matter of opinion.
- 21 A. Having said that, having said that, the negative
- 22 stories about Detroit is pretty rampant and you know,
- 23 I guess things happen internally that you would hope

would maybe stay inside, but our press does a pretty

- 25
 - good job of digging and so when something happens



011	i o beinon, momorio		37 100
1	Page 97 internally and the press gets ahold of it, I think	Q. And earlier vo	Page 99 pu had mentioned Treasurer Andy Dillon.
2	what Kevyn is saying, you know, there must be a leak	=	any discussions with him about the
3	somewhere so, you know, we don't we want to make	Emergency Ma	
4	sure that that stops, we don't need to read about some		Rich seemed to have taken the lead on
5	of the things that are being discussed internally,		e Treasurer was more involved in what
			g in Detroit in 2012 as opposed to 2013.
6	etc., etc., so I'm putting a gag order out and		
7	anybody if I find out that you are the leak, then		lot of him in 2013.
8	I'm going to have to deal with you appropriately.		ave any discussion about
9	Q. Okay. And then actually as I see in the email above	A. No, no with A	-
10	this Mr. Andrews says, we need to talk, we need to		e any discussions with him about Detroit's
11	plan this communication well, how do we get out a	pension issue	
12	message that helps matters.	A. With Andy, n	
13	Do you know what he was referring to by		now about Governor Snyder? Have you had
14	planning this communication well?	-	ns with him about the Emergency Manager?
15	A. I'm not 100 percent sure on that, but it's one of the	A. Just once.	
16	things that we talk about internally a lot. You know,	Q. And when w	as that?
17	I have an administration that have accomplished a lot	A. That was bef	ore I went to DC to meet Kevyn.
18	of things and because the focus is always on the	Q. And what wa	s the substance of that conversation, if
19	negative things that are happening, we're trying to	you remembe	r?
20	figure out there are some good stories. I mean,	A. That they this	nk that they found the right guy.
21	even yesterday with 60 Minutes, I guess, it was all	Q. How long wa	s the conversation?
22	pretty negative about the City. It's the same thing	A. Short conver	sation.
23	over and over and over. Nobody talks about some of	Q. Did you say	anything back or was it him simply
24	the positive things that are going on and I think in	informing you	that
25	deference to staff, I want people to understand that	A. Just informin	g me.
	Page 98		Page 100
1	they've accomplished a lot and so we wanted I think	Q. Did you have	e any discussions with the Governor about
2	Kriss and Bob wanted to make sure that our press	-	of filing for bankruptcy?
3	understood that there were good things, that we had	A. No.	
4	accomplished things, etc., etc. It's not all about	Q. And did you	have any discussions with him about the
5	the Emergency Manager coming in and now things start	City's pensior	issues?
6	to happen. It's about things were already happening.	A. No.	
7	MR. ULLMAN: Okay, I have no further	MR. E	LLISON: That's all I have for the
8	questions at this time. I will pass the witness.	witness.	
9	THE VIDEOGRAPHER: We'll go off the record	E	XAMINATION
10	at 12:49.	BY MS. LEVINE	::
11	(A brief recess was taken.)	Q. Good aftern	oon, Mr. Mayor.
12	THE VIDEOGRAPHER: Back on the record,	A. Good aftern	
13	12:52. Go ahead.		ine, Lowenstein Sandler, for AFSCME.
14	EXAMINATION	A. Okay.	,
15	BY MR. ELLISON:	•	le more questions.
16	Q. Good afternoon, Mr. Mayor. I just have a few	-	o going back 18 months before the
17	questions so I'll be very brief.		ling, are you aware that there were
18	How many discussions did you have with		with the City and a coalition of unions
		•	•
19	Mr. Baird about the Emergency Manager; do you recall?	_	certain tentative agreements?
20	A. No more than two.	A. Yes.	
21	Q. And when was the last one?		volved in those negotiations?
22	A. I think after after I met with Kevyn.	A. Yes.	denotes the start the second of the second
23	Q. So that would have been in the February or March time		derstanding that those negotiations with
24	frame?	your unions	actually did result in tentative
	n la lata Falancamo coasta	00400000-1-1-0	•

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agreements?



25 A. In late February, yeah.

1 A. Yes.

- 2 Q. And is it your understanding that those tentative
- 3 agreements were ratified by the unions?
- 4 A. Yes.
- 5 Q. Were those -- and was it your understanding that those
- 6 tentative agreements would have resulted in savings
- 7 for the City?
- 8 A. Yes.
- 9 Q. Were the tentative agreements -- were the tentative
- 10 agreements ever implemented by the City?
- 11 A. No.
- 12 Q. Do you know why?
- 13 A. They were rejected by the Treasurer, Andy Dillon.
- 14 Q. After the rejection of the tentative agreements did
- there come a point in time where you were involved in
- 16 further negotiations with your unions with regard to
- 17 concessions, specifically including meetings with
- 18 Ernst & Young?
- 19 A. I wasn't actually involved in any of that so I'm not
- 20 100 percent sure what other meetings occurred after we
- 21 didn't get the tentative agreements implemented.
- 22 Q. Were there meetings -- were you aware of meetings
- 23 between various union representatives and E&Y or
- 24 Ernst & Young?
- 25 A. Yes.

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- 1 Q. When did those occur?2 A. Those would have been I
- 2 A. Those would have been late 2012 and maybe the first3 quarter of '13.
- 4 Q. And who was present at those meetings on behalf of the 5 Citv?
- 6 MR. CULLEN: Objection, foundation.
- Q. Are you aware who was in attendance at those meetingson behalf of the City?
- 9 A. That would have been our top labor guy, I don't know
- 10 if he was by himself. I don't know if Kriss was still
- 11 involved in it, Andrews. I'm not sure from the City's
- 12 perspective who all may have been there.
- 13 Q. But these took place before the Emergency Manager was
- 14 appointed in March of 2013; correct?
- 15 A. Correct.
- 16 Q. And these were done under -- although you weren't
- 17 physically there, they were done under your
- 18 supervision and control and the people who were
- 19 involved in those conversations reported to you; is
- 20 that correct?
- 21 A. No, they reported to Kriss.
- 22 Q. To Kriss Andrews and Kriss Andrews reported to you?
- 23 A. Yes, Kriss --
- 24 Q. In other words, they weren't done --
- 25 MR. CULLEN: Could you let the witness

1 finish?

Page 101

- 2 A. Kriss and Jack Martin would have been the two guys,
- 3 the CFO and the COO would have been the guys that were
- 4 heading that up, and I would think HR guy had to be
- 5 involved in that who's no longer here, Patrick Aquart,
- and then our labor person would have been involved in
- 7 that, and they reported to either Jack or Kriss.
- 8 Q. To your knowledge did those meetings result in
- 9 tentative agreements or any agreements with the
- 10 unions?
- 11 A. Not to my knowledge.
- 12 Q. Why did those -- did those discussions come to a halt?
- 13 A. I believe they did, once the determination was made
- 14 that an Emergency Manager was imminent.
- 15 Q. Following the appointment of the Emergency Manager,
- were you -- are you aware of any further discussions
- with your unions or coalition of unions before the
- 18 filing of the Chapter 9 case?
- 19 A. I'm sure there were ongoing meetings, but I've not
- 20 been involved in any of them because that was under
- 21 the purview of the Emergency Manager.
- 22 Q. How are you sure that there were ongoing meetings if
- 23 you weren't involved?
- 24 A. Just conversations, you hear conversation, people let
- you know what's going on.

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- Q. So what -- with whom did you have a conversation that
 indicated to you that there were ongoing meetings with
- 3 the coalition of unions after the appointment of the
- 4 Emergency Manager?
- 5 A. Jack or Kriss.
- 6 Q. And when did those meetings take place?
- 7 A. Once again, it was sometime in the first quarter of
- 8 '13. I don't know that there were ongoing meetings.
- 9 Once Kevyn got here I do think there were still
- 10 meetings, but like I said, I'm not involved in that at
 - all anymore.
- 12 Q. So while you were in control, there were negotiations
- 13 with the coalition of unions that resulted in a TA
- 14 where the unions ratified those TAs and those were not
- implemented because Mr. Baird declined to implement
 - them; is that your understanding?
- 17 A. Not --

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- MR. CULLEN: Objection, foundation, form.
- 19 A. Not Mr. Baird. That was the Treasurer, Andy Dillon.
- 20 Q. Andy Dillon, okay.

After the appointment of Emergency Manager you're not sure what meetings took place, although you

- 23 did hear around the halls that some meetings were
- 24 ongoing?
- 25 A. Yes.



Page 105

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- 1 Q. Before the Emergency Manager was appointed were you
- 2 involved in budgeting for the City?
- 3 A. At a very high level. Not so much in budgeting. I
- 4 mean, the budget director --
- 5 Q. Who was responsible -- and did the budget director
- 6 report to you?
- 7 A. No, he reported to the CFO.
- 8 Q. And did the CFO report to you?
- 9 A. Correct.
- 10 Q. Okay, since the appointment of the Emergency Manager
- do you know who's involved in budgeting for the City?
- 12 A. Brent Hartzell. Brent Hartzell. H-A-R-T-Z-E-L-L.
- 13 He's the budgeting director.
- 14 Q. And to whom does he report?
- 15 A. He reported directly to the new CFO, the guy that I
- don't think's going to be here after this week,
- 17 Jim Bonsall.
- 18 Q. And does he report to you?
- 19 A. I've never seen an org chart. I've asked for it on
- several occasions and I've never seen one.
- 21 Q. So you're not sure what the reporting org chart would
- 22 be after the appointment of the Emergency Manager?
- 23 A. That is correct.
- 24 Q. Do you know whether or not any of the consultants
- 25 retained by the financial manager are involved in the

- Page 107 restructuring standpoint. Maybe Ernst & Young from a
- 2 financial standpoint.
- 3 Q. But that's not the -- that's not the -- the line of
 - folks we just discussed with regard to budgeting?
- 5 MR. CULLEN: Objection, foundation, form.
- 6 A. I'm not sure your question.
- Q. Before the Emergency Manager was appointed when you
- 8 did budgeting, did you look at things in your budget
- 9 like what, for example, you would spend on solid
- 10 waste?
- 11 A. Yes.
- 12 Q. And did you consider in the budget whether or not
- there were ways to save costs with things such as
- 14 solid waste?
- 15 A. Yes.
- 16 Q. Okay, and one of the things that you talked about
- 17 earlier was whether or not you could save money if you
- 18 outsourced? Without the City would save money by
- 19 outsourcing various function such as solid waste;
- 20 correct?
- 21 A. Correct.

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- 22 Q. And one of the concerns you had was it appeared people
- were reaching conclusions with regards to numbers
 - about those savings without having gone through an RFP
- 25 process first; is that correct?

Page 106

- budgeting functions?
- 2 A. I'm sure they are.
- 3 Q. But you're not involved in those meetings?
- 4 A. No.
- 5 Q. And you don't get reports from those meetings?
- 6 A. No.
- 7 Q. You discussed earlier a conversation that you had with
- 8 Kriss around outsourcing. I believe that was with
- 9 regard to solid waste; is that correct?
- 10 A. Correct.
- 11 Q. And I believe you testified that one of the concerns
- 12 you had was that there was an estimated savings from
- outsourcing that had been announced before RFPs had
- gone out and the actual numbers had come in; is that
- 15 correct?

- MR. CULLEN: Objection, foundation, form.
- 17 A. Maybe not before the proposals went out, but before18 they came back in I think that number of 15 million
- 19 was out there.
- 20 Q. Since the appointment of the Emergency Manager, is
- 21 there somebody who's specifically looking at whether
- 22 or not outsourcing specific City functions would save
- 23 money for the City?
- 24 MR. CULLEN: Objection, foundation, form.
- 25 A. I think that would be Conway MacKenzie from a

- 1 A. That would be correct.
- 2 Q. Okay. My question to you is who's the point person
- 3 now under the Emergency Manager who was looking at
- 4 these outsourcing issues?
- 5 A. I would assume it's somebody from Ernst & Young and
 - somebody from Conway MacKenzie.
- 7 Q. Do you have any -- have you had any conversations with
- 8 that person?
- 9 A. Neither, neither organization.
- 10 Q. From the period from November 2012 through March of
 - 2013 did you have any discussions with anybody from
- 12 Lansing with regard to the ability to restructure
- 13 Detroit without the need to appoint an Emergency
- 14 Manager or an Emergency Financial Manager?
- 15 A. I think I made it clear to all of those that we were
 - in contact in Lansing that that was not the direction
- 17 that I supported.
- 18 Q. And did you -- did you have an opportunity to discuss
- 19 with the folks in Lansing your particular ideas with
- 20 regard to how to restructure or rehabilitate Detroit?
- 21 A. Yes, they had -- they had what we would call a -- we
- gave them a lot of information in terms of department
- by department what we thought we needed to do toeither create savings or generate some revenue from a
- 25 reorganization standpoint.



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- 1 Q. During the course of those discussions did you ever
- 2 have conversations with anybody in Lansing about the
- 3 prospect of filing a Chapter 9 without appointing an
- 4 Emergency Manager?
- 5 A. No.
- 6 Q. Did your plan or plans or any of the issues you
- 7 discussed include modifying vested pension benefits?
- 8 A. Yes
- 9 Q. With whom did you have discussions with regard to
- 10 modifying vested pensions?
- 11 A. I had personally no discussion. I think the COO and
- 12 the CFO had those discussions, I believe probably with
- 13 Andy.
- 14 Q. Was there any discussion to your knowledge of how to
- implement a change to vested pension benefits given
- 16 the Michigan State Constitution?
- 17 A. No.
- 18 Q. Did your plan or the plans that were adopted by you
- 19 include privatization?
- 20 A. Of?
- 21 Q. Anything.
- 22 A. I think we looked at privatization, yes. I mean, we
- just talked about the DDOT, we just talked about PLD,
- 24 as two.
- 25 Q. So in connection with outsourcing or privatization did

- Page 111 insurance to cover certain otherwise provided pension
- 2 benefits that are now lost?
- 3 MR. CULLEN: Objection, foundation, form,
 - asks for a legal conclusion.
- 5 A. I wouldn't know the answer to that.
- 6 Q. I'm asking your understanding. I'm going to try7 again.

Do you understand that in a Chapter 11 corporate case if there's a defined pension benefit plan that's terminated, the PBGC provides federal insurance protection for the pension beneficiaries?

MR. CULLEN: Why don't you just ask him the foundation question whether he has any understanding about that whatsoever?

MS. LEVINE: I did. That's the start of the question is -- is it his understanding.

MR. CULLEN: Well, that's not the rest of the question, but I'll object to the form and the foundation and you can address the question.

- 20 A. You have to ask me the question again I think.
- Q. If the pension is terminated -- if Detroit's pensionis terminated, is there any federal program that
- 23 provides pension benefits for the retirees who have
 - now lost their benefits?
- 25 A. Not to my knowledge.

Page 110

- 1 your plan include a process for evaluating or valuing
- 2 whether or not there really truly would be savings to
- 3 the City as a result of that job loss?
- 4 A. Yes, that was done through the purchasing department.
- 5 Q. And what was your process for evaluating outsourcing?
- 6 A. I can't tell you the process.
- 7 Q. But did it include getting RFPs before you announced
- 8 what the purported savings would be?
- 9 A. Yes, yes.
- 10 Q. Did your plan include the sale of assets?
- 11 A. Some.
- 12 Q. And you discussed them previously with counsel?
- 13 A. Correct.
- 14 Q. So I won't do that again.
- 15 A. Correct.
- 16 Q. Did your plan include a loss of City jobs?
- 17 A. Yes.
- 18 Q. Do you recall how many?
- 19 A. I don't -- we -- I think it was a number of 1,500 jobs
- 20 in total.
- 21 Q. How many of those were nonuniform employees?
- 22 A. I don't know the answer to that.
- 23 Q. Do you understand that in a Chapter 11 corporate case
- if a pension is terminated, the PBGC or the Pension
- 25 Benefit Guaranty Corp, provides federally provided

- Page 112 1 Q. In a Chapter 11 case or in a bankruptcy case that
- 2 doesn't involve a municipality, is there a federal
- 3 program that provides benefits to pension
- 4 beneficiaries who've lost their benefit from a private
- 5 pension?
 - MR. CULLEN: Objection, foundation, form.
- 7 A. I wouldn't know the answer to that.
- 8 Q. In the plans that you discussed with Lansing what was
- 9 your understanding of how retirees were going to live
- 10 post restructuring if pension benefits were going to
- 11 be cut?
- 12 A. Never had that conversation.
- 13 Q. Did you have any input into the retention of
- 14 restructuring counsel for the City?
- 15 A. No.
- 16 Q. How did you learn that Jones Day was retained as the
- 17 City's restructuring counsel?
- 18 A. There was a meeting in the airport in the December
- 19 time frame of 2012. Representing the City was
- 20 Kriss Andrews and Jack Martin and they're the ones
- 21 that made me aware.
- 22 Q. Since November of 2012 have you had any conversations
- 23 with House Speaker Bolger with regard to Detroit's
- 24 financial issues?
- 25 A. No.



CITY OF DETROIT, MICHIGAN				113–116		
1	0	Any conversations with Randy Richardville?	1	Page 115 A. Yes, I've met with our business community leadership,		
2		I think I was up in Lansing and at that time it was	2	I've met with most of our foundations and I think		
3		really trying to get the legislature to vote and pass	3	because of that we've gotten the kind of support we've		
4		some legislation for the Lighting Authority and the	4	gotten.		
5		Regional Transportation Authority.	5	Q. Have you continued to have those discussions since the		
6		And what were those conversations that you had with	6	appointment of the Emergency Manager?		
7		We needed them to support it, because we were in dire	7	A. Yes. For the record let me be specific about that.		
8		need of both.	8	MR. CULLEN: Always a bad idea, but go		
9		Did they agree to support it?	9	ahead.		
10		They did. The legislation was passed in December.	10			
11	Q.		11	\$8 million from our corporate community to assist us		
12		It's supposed to. That hasn't happened yet.	12	· · · · · · · · · · · · · · · · · · ·		
13		What's your understanding why that hasn't happened	13	·		
14	Ψ.	yet?	14	· .		
15	Α	They had to get the Authorities' board together and	15	-		
16	,	they've been working on that for a long time for both	16	· · · · · · · · · · · · · · · · · · ·		
17		authorities, but I think they're both in play right	17			
18		now and they have both chosen the leadership for the	18			
19		Regional Authority for Transportation as well as for	19			
20		the Lighting Authority.	20			
21	O.	Prior to the appointment of the Emergency Manager did	21	1:14.		
22		you have any involvement to trying to get access to	22			
23		federal assistance for Detroit?	23	· · · · · · · · · · · · · · · · · · ·		
24	Α.	Absolutely.	24	,		
25		Since the appointment of the Emergency Manager do you	25			
		Page 114		Page 116		
1		continue to have involvement in trying to get federal	1	questions.		
2		assistance for Detroit?	2	BY MS. LEVINE:		
3	A.	Absolutely.	3	Q. We've had some discussion with regard to quoting		
4	Q.	Who were you talking to before the appointment of the	4	potential savings from outsourcing without RFPs having		
5		Emergency Manager?	5	gone out. To your knowledge as we sit here today have		
6	A.	Three to four of the different secretaries under the	6	RFPs have any RFPs gone out and come back?		
7		Obama administration.	7	A. Not to not to my knowledge. I'm not involved in it		
8	Q.	And who have you been talking to since the appointment	8	anymore and I know there's a concern from our		
9		of the Emergency Manager?	9	purchasing department that the process isn't being		
10	Α.	The same ones, except now there's a new department,	10	they got a process that's not being followed.		
11		there's a new Secretary of Transportation.	11	Q. And as we sit here today, is it your understanding		
12	Q	. Prior to the appointment of the Emergency Manager did	12	that that concern persists?		
13		you have any discussions other than what we've just	13	A. Yes.		
14		been talking about with anybody in Lansing with regard	14	Q. And that's part of the discussion we had earlier where		
15		to assistance for Detroit?	15	you just hear things in the hall?		
16	A.	Yes. We have talked I mean, I've had ongoing	16	A. Yes.		
17		conversations with the Treasurer as well as the	17	Q. Is it your understanding that Miller Buckfire has been		

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25

19 A. Yes.

retained by the City?

20 Q. When were they retained?

representing the City.

21 A. I think they may have been retained back in the

23 Q. Were they retained as a restructuring professional?

24 A. I think they were as the bank -- the corporate bank

December/January time frame.



financial issues in Detroit?

19 Q. Have you continued those discussions post the

appointment of the Emergency Manager?

22 Q. Prior to the appointment of the Emergency Manager did

private or not-for-profit assistance to help with the

you have any discussions with anybody about accessing

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21 A. No.

Governor.

CITY OF DETROIT, MICHIGAN	117–120		
Page 117 1 Q. Did you hire them? 2 A. No.	Page 119 administrations in my in my perspective a lot of that should have been written off a long time ago but		
3 Q. Who retained them?	3 they've been carrying it on books and I just think		
4 A. I think once again, most of these companies were	4 that's the wrong approach.		
5 being they were being pressed by the we were	5 Q. Under your administration were how many how much		
6 pressed by the State to my understanding, the State	6 did you write-off in what you believe to be		
7 had a lot of input into the selection process and in	7 uncollected taxes?		
8 some cases where the City has a responsibility for	8 A. I'm not sure of that. I would have to get with the		
9 paying part of the fees, you know, I've always had a	9 CFO.		
problem that I was not at the table to participate in	10 Q. Do you have an approximate number?		
11 the selection process.	11 A. No, I don't.		
12 Q. Do you pay part of the fees for Miller Buckfire?	MS. LEVINE: I don't have anything further.		
13 A. Yes.	13 Thank you.		
14 Q. Does the State pay part of the fees for Miller	14 THE WITNESS: Thank you.		
15 Buckfire?	15 MR. GREEN: No, I don't have any questions.		
16 A. Yes.	MR. CULLEN: We don't need the Pistons		
17 Q. Does the NERD Fund pay part of the fees for Miller	17 question on the record?		
18 Buckfire?	18 MR. ESSAD: No.		
19 A. I wouldn't know that.	19 MR. CULLEN: Thank you very much.		
20 Q. Do you have a copy of Miller Buckfire's retention or	20 THE VIDEOGRAPHER: This completes the		
21 engagement letter?	deposition. We're off the record, 1:22.		
22 A. I would think we have that. I don't I don't have	22 (Deposition concluded at 1:22 p.m.)		
it personally, but I would think we do in the purchase	23 * * *		
24 department and maybe in the law department.	24		
25 MS. LEVINE: We would request a copy of	25		
Page 118	Page 120		
1 that letter. I know that there's been a lot of	1 State of Michigan)		
documents that have been produced but we didn't happen to see what in there so we would make that specific	2 County of Genesee)		
1	3 Certificate of Notary Public		
4 request. 5 MR. GREEN: And if I may add the 2012	4 I certify that this transcript is a complete, true and		
6 engagement letter from Miller Buckfire as well. I	5 correct record of the testimony of the witness held in this		
7 understand they were initially engaged the prior year.	6 case.		
8 There may be two engagement letters.	7 I also certify that prior to taking this deposition,		
9 MR. MOSS: Please put that in a letter so	8 the witness was duly sworn or affirmed to tell the truth. 9 I further certify that I am not a relative or an		
we make sure we get it part of the record. We'll take	9 I further certify that I am not a relative or an 10 employee of or an attorney for a party; and that I am not		
11 a look.	financially interested, directly or indirectly, in the		
12 MS. LEVINE: So the request will be for any	12 matter.		
13 engagement letters or contracts with Miller Buckfire	WITNESS my hand this 16th day of October,		
14 and we'll clarify that.	14 2013.		
15 Q. During the deposition last week with Treasurer Dillon	15		
he made a reference to a report with regard to certain	16 geaneth My Sallon		
17 tax write-offs or uncollected taxes. Are you familiar	17		
18 with that?	18 Jeanette M. Fallon, CRR/RMR/CLR/CSR-3267		
19 A. No, I'm not. Not specifically.	19 Certified Realtime Reporter		
20 Q. Are you familiar with any issue with regard to	20 Registered Merit Reporter		
21 potential tax write-offs where the taxes could have	21 Certified LiveNote Reporter		
22 been collected?	22 Certified Shorthand Reporter		
23 MR. CULLEN: Objection, foundation, form.	23 Notary Public, Genesee, Michigan		
	· · · · · · · · · · · · · · · · · · ·		

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24 A. No, I'm not. You know, we've got uncollected taxes

that go back ten, 12 years, and so prior

Acting in Oakland County, Michigan

My Commission Expires: 9-19-18

1		Page 121	Τ		Page 123
3	1			DEPOSITION ERRATA SHEET	. agee
Case Caption: In re City of Detroit, Michigan 5	2		2		
DECLARATION UNDER PENALTY OF PERJURY 7	3	Our Assignment No. 19355	3	Page NoLine NoChange to:	
Comparison of the period of the entire transcript of my Deposition taken in the captioned matter or the same has been read to me, and the same is true and accurate, save and except for changes and/or corrections, if any, as indicated by me on the same has been read to me, and the same is true and accurate, save and except for changes and/or corrections, if any, as indicated by me on the same is been read to me, and the same is true and accurate, save and except for changes and/or corrections, if any, as indicated by me on the same is been read to me, and the same is true and accurate, save and except for changes and/or corrections, if any, as indicated by me on the same is true and accurate, save and except for changes and so the same is true and accurate, save and except for changes and so the same is true and accurate, save and except for changes and so the same is true and accurate, save and except for changes and so the same is true and accurate, save and except for changes and so the same is true and accurate, save and except for changes and so the same is true and accurate, save and except for changes and so the same is true and accurate, save and except for changes and so the same is true and accurate, save and except for changes and so the same is true and accurate, save and except for change to: 1	4	Case Caption: In re City of Detroit, Michigan	4		
Total declare under penalty of perjury that I have read 9 the entire transcript of my Deposition taken in the captioned matter or the same has been read to me, and the same is true and accurate, save and except for changes and/or corrections, if any, as indicated by me on the 13 DEPOSITION ERRATA SHEET hereof, with the understanding that 14 I offer these changes as if still under oath. 15 Signed on the day of	5		5	Reason for change:	
B	6	DECLARATION UNDER PENALTY OF PERJURY	6	Page NoLine NoChange to:	
9	7		7		
9	8	I declare under penalty of perjury that I have read	8	Reason for change:	
10	9	the entire transcript of my Deposition taken in the	9		
11	10		10		
12	11	_	11		
13 DEPOSITION ERRATA SHEET hereof, with the understanding that 1 14 1 16 16 17 15 16 16 17 16 17 18 18 18 19 19 19 19 19	12	· · · · · · · · · · · · · · · · · · ·	12	•	
14 I offer these changes as if still under oath. 14 Reason for change: 15 Page NoLine NoChange to:					
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